





## Bangkok Forces a Bank's Sale / 'Loss of Face' for Wanglee Clan

## Asian Crisis Humbles Thai Business Dynasty

By Joseph Kahn  
New York Times Service

BANGKOK — Photos of the Thai king adorn the walls of most local companies and homes. But at Wanglee Co., that honor is reserved for the sage, sepia-toned likeness of Tan Siew-Wang, forefather of one of Thailand's most famous business clans.

Mr. Tan sailed to Thailand from southern China more than 130 years ago, and he died early this century. But his portrait is not all that remains. The family dynasty he started, known by the Thai-Chinese name Wanglee, is now in its fifth generation.

With interests that span manufacturing, agriculture, real estate and banking, the Wanglees are as well known here today as the Carnegies or the Rockefellers were in America a century ago.

They have kept their sprawling empire intact through loyalty to Mr. Tan's conservative business philosophy, the canon of which can be summed up in four words: Thou shalt not sell. The Wanglees still own every parcel of land that Mr. Tan bought, and they have never offered outsiders large stakes in their companies.

"What belonged to our family 100 years ago still belongs to us," says Vunichai Wanglee, a fourth-generation heir and managing director of Wanglee Co., which still uses the riverside trading house where Mr. Tan worked. "It is our culture not to risk what great-grandfather built."

This all-in-the-family rule has served the Wanglees well through several wars, the Japanese occupation and a dozen military coups. But it will not survive the Asian financial crisis.

Faced with an ultimatum by the Thai central bank to raise fresh capital, the Wanglees are reluctantly preparing to sell a controlling stake in Nakornthab Bank, the family's crown jewel, for a fraction of the price it would have brought a year ago.

"Our ancestors could never have imagined that it would come to this," said Thammun Wanglee, the bank's president, slowly shaking his head. "But they also could never have imagined such a crisis."

THE SALE will do more than embarrass a member of the Thai business aristocracy. The collapse of Asian financial markets has struck a blow — a fatal one, some economists say — against perhaps the most outstanding feature of Thai business: the domination by a few wealthy Chinese families, and the cozy network that nurtures them.

As in Indonesia, ethnic Chinese represent a small fraction of the Thai population but straddle every line of business. Nowhere is that as true as in banking. Twelve of the 15 commercial banks are Chinese family operations. The Wanglees' Nakornthab Bank is relatively small, with about \$2 billion in assets. But shareholdings in even the largest banks, led by Bangkok Bank and Thai Farmers' Bank, are structured to ensure family control. Even in diverse family empires, banks are the prized possession. Thailand has not granted a new full-service banking license in 40 years, creating a family-directed plutocracy of 15 that rivals the Finance Ministry in their power.

"Owning a bank is one step removed from royalty," a longtime banker here said. But today, many blame that insular system for the country's financial troubles. Family banks often make loans based on relationships — so-called name lending — giving more weight to a company patriarch's reputation, and the collateral he offers, than to business plans and cash flow. Critics say such outdated practices allowed Thai companies to rack up too much debt and pumped air into real estate and stock market bubbles.

The Thai government is determined to change the system, clearing a path for Western banks in this long-cloistered market. The International Monetary Fund has made an overhaul a central condition of its \$17.2 billion bailout package.



Vorawee Wanglee, chief executive of Nakornthab Bank in Bangkok. Faced with an ultimatum by Thailand's central bank to raise capital, the Wanglee family must sell its controlling stake in the bank — the first sale ever of the family's varied assets.

The changes are already striking. The central bank nationalized four banks this year, wiping out founding-family shares. Two other banks have fallen into foreign hands, one to the Dutch banking giant ABN-AMRO and the other to the Singapore Development Bank. The rest are scrambling to raise funds in a way that ensures long-term family control, but few see that as a realistic possibility for more than one or two of them.

"The era of family banking is over," says Amaret Sila-On, head of a government body overseeing disposal of nonperforming bank assets. "Whether the families like it or not, Thailand now needs professionals at the helm."

In his final days, Mr. Tan established Wanglee Co. as a perpetual corporation, making all his descendants — there are about 200 today — equal shareholders, the better to prevent infighting that might splinter the company.

As if to stress continuity, Wanglee Co. remains where it was a century ago, on a pier by the river. Big business decisions are said to be communal. Still practicing primogeniture, the oldest member of the oldest generation serves as family umpire. Sukit Wanglee, 68, the de facto headman who also serves as chairman of the family's agricultural trading company, calls regular Sunday meetings at a Wanglee compound in central Bangkok.

When the family's bank was registered in 1933, Thailand had only one other commercial bank. And the Wanglee Bank, as it was called then, had modest ambitions. It financed the family's exports and took deposits from relatives and a coterie of Chinese friends.

When the family sought to expand the bank's horizons in the 1970s, it changed the name to the more generic Nakornthab and entered a seven-year alliance with Citibank. The American bank installed credit and accounting systems, while the Wanglees remained in control.

No one of the family's innate caution, it turns out, prepared the Wanglees for Thailand's financial trouble.

A few weeks after the baht was driven off its peg

to the U.S. dollar last July, the bank's main clients — almost half in the manufacturing business — began delaying loan payments. Vorawee Wanglee, the current chief executive, said in an interview, "We have tried to be patient, to work with them on restructuring," he said. "But the situation keeps getting worse."

Amid a general bloodletting on the Thai stock exchange, the market has savaged Nakornthab. The bank would have commanded a purchase price of about \$600 million in early 1996. Today, shares trade at a tenth that level. The value of the Wanglees' controlling stake, estimated at about 40 percent, has tumbled in tandem.

BUT THE FINAL blow came from Thailand's central bank. After years of loose regulation, the central bank has required local banks to begin adhering to the most stringent international accounting standards. The terms, like capital adequacy and accrual periods, are technical, but the results for the Wanglees are painful. The standards require that they put up capital in excess of their current stake in the bank — or risk losing it.

Though congenial by nature, the Wanglees do not disguise their contempt for the government's actions.

"I do not oppose the new rules in principle," Thammun Wanglee said. "But when they push all these new requirements on us all at once, well, you are simply pushing all the Thai banks into foreign hands."

To save face during their first-ever sale of a family business, the Wanglees are seeking a "trusted" foreign partner who will keep Vorawee and Thammun Wanglee as top executives. But many analysts doubt that the family members will remain in management past a transition period.

Most family members say they are resigned to the sale.

"It is a loss of face," Vorawee Wanglee said. "But wouldn't it be an even bigger loss of face if the bank were confiscated by the government?"

## Air Controllers' Doubts Delay New U.S. System

By Matthew L. Wald  
New York Times Service

WASHINGTON — The Federal Aviation Administration has agreed to delay the phase-in of a \$1 billion air traffic modernization project until it can reach agreement with the controllers who cootend that the new equipment is less capable than the 30-year-old equipment it is meant to replace.

The project involves the installation of new radar screens and related equipment at 20 air traffic control centers that handle all the high-altitude flights across the country. The agency and the controllers have long hoped that the equipment would provide new computer tools to help air traffic move more freely and to reduce passengers' travel time.

It remained unclear how long the aviation agency would delay the phase-in or how long it would take to resolve problems with the computer equipment.

After squandering billions on failed modernization efforts in the 1980s and early 1990s, the agency has been eager to use the project, called Display System Replacement, to demonstrate that it can field new equipment on time and on budget. But the controllers' union has contended for almost a year that the new radar screens have flaws in many areas, including software and the shape of their work-station furniture.

The union, the National Air Traffic Controllers Association, has maintained that if the system were put into use, controllers would be forced to limit the number of planes they handled, causing delays.

On Tuesday, the controllers walked out of talks with the agency, declaring that they had reached an impasse on the equipment, which they called "operationally unacceptable."

Under an agreement reached Wednesday after the aviation agency was questioned about the controllers' complaints, the agency said it would switch on the system in June as scheduled, but only in Seattle. Until the software features and other problems are resolved, the new screens will be used only late at night, when few planes fly.

Separately, the union and the agency are negotiating a labor contract governing hours, wages and other issues. When asked if the contract had played a role, Monte Belger, the acting deputy administrator of the agency, replied tersely, "We're in contract negotiations."

The new system will not be used at centers other than Seattle until the equipment issues are resolved, the agency said.

The equipment has been installed and controllers have been trained to use it in Atlanta, Denver and Salt Lake City, Utah. The equipment was to be fully in use in New York in July 1999, and Boston, the last center, in May 2000.

The agency wants to replace the old equipment because it is prone to breakdown, and many replacement parts are no longer made. Also, the new screens can show color, which creates many possibilities, like showing all the planes going west in one color and those going east in another, or displaying thunderstorms in a distinctive way.

The controllers say they are eager for new equipment for the same reasons. But they say that when they saw the

equipment last summer, and again when the final version of the software was tested last month, they were horrified.

For example, each airplane on the screen is accompanied by a text block giving its identity, type and other information. In the old system, if two blocks overlap, a controller can separate them with a few quick motions. But in tests with the new system, overlapping blocks become "a blob of data," said James Schwitz, executive vice president of the National Air Traffic Controllers Association.

Also, he said, the new computer, like the old system, can project lines representing where the plane will be in the next two minutes, or four or six. But with the new system, if those lines overlap, or if they overlap other lines, like those representing sector boundaries or air routes, the projecting lines effectively disappear. Without the projections, the controller could have a more difficult time predicting conflicts between planes.

## FAA Proposes Wiring Change On Early 737s

The Associated Press

WASHINGTON — The Federal Aviation Administration proposed mandatory changes Thursday in the fuel system wiring and vent systems of early model Boeing 737s, the most commonly used commercial airplane in the world.

The proposed airworthiness directive, which grew out of the investigation of the crash of TWA Flight 800, would require installation of electrical surge suppression systems or the shielding and separation of wiring routed to the plane's fuel tanks from nearby wiring.

In addition, the directive would require the installation of flame arresters and pressure relief valves in the plane's fuel vent system, steps aimed at keeping flames outside the 737 from entering the fuel system via wing-pit fuel vents.

The proposed directive, which would require compliance within one year, has now entered a 45-day comment period. The aviation agency estimated the cost of the changes at \$36,000 per plane.

Both orders stem from the investigation into the explosion of TWA Flight 800 and mirror a proposed airworthiness directive the agency issued for older Boeing 747s in November.

While investigators do not know what caused the TWA Boeing 747 to explode off New York in July 1996, killing all 230 aboard, they are concerned that sparks could get into a plane's center fuel tank via damaged wires or electrical joints that jump from power lines in nearby low-voltage fuel gauge wires.

The new directive would apply to Boeing 737-100, -200, -300, -400 and -500 series aircraft, which all have the same kind of fuel systems. There are 1,140 such aircraft registered in the United States and 2,800 worldwide. The directive would not apply to newer 737s, the latest of which is the 737-900 series.

A Boeing spokesman, Russ Young, said the airplane maker was already working on the issues itself and would cooperate with the aviation agency.

## TRAVEL UPDATE

## No End in Sight to Japan Air Strike

TOKYO (AFP) — Japanese pilots and managers dug in their heels Thursday as a strike over a wage dispute at All Nippon Airways ran into the 11th day with no sign of an end in sight.

The opposing parties have not met since the strike began. Six flights were canceled Thursday, said a spokesman for All Nippon Airways. They affected 1,200 passengers on trips between Tokyo and New York, Tokyo and Singapore and Osaka and Rome.

Since the strike began, 66 flights have been canceled, disrupting travel by 13,200 passengers. All of the passengers were rebooked on other airlines, officials said.

## Warsaw Leaning to Tram Network

WARSAW (Reuters) — Warsaw's city government prefers to build a fast trolley network rather than expand the subway with two costly new lines, officials said Thursday.

Newspapers said that officials of the traffic-congested city supported an urban planning study proposing a cheaper system of rapid trams over 61 kilometers (38 miles) of track instead of planned east-west subway lines under the Vistula River.

Critics say even improved surface trams would not resolve traffic jams in the fast-growing city.

## Corrections

An Associated Press article in Wednesday's editions said an opposition newspaper publisher in Cameroon, Pius Njawa, was sentenced to jail and fined for erroneously reporting that President Paul Biya suffered from heart troubles. Although Mr. Njawa was convicted, he maintains that the December article in his newspaper, the French-language *Le Messager*, was accurate in reporting that Mr. Biya suffered from unspecified heart problems while attending a Cameroon soccer match.

A photo caption in Wednesday's editions misidentified Union Bank of Switzerland.

## WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

Europe	Today	High/Low	Tomorrow	High/Low	Day After	High/Low
Algeria	18/64	94/68	17/62	10/50	16/61	93/67
Amsterdam	12/50	50/48	12/50	48/46	11/49	47/45
Antwerp	12/50	50/48	12/50	48/46	11/49	47/45
Athens	22/71	63/33	22/71	63/33	21/70	62/32
Berlin	12/50	50/48	12/50	48/46	11/49	47/45
Bombay	13/55	37/37	13/55	37/37	12/54	36/36
Buenos Aires	17/62	11/52	17/62	11/52	16/61	10/50
Bombay	13/55	37/37	13/55	37/37	12/54	36/36
Bombay	13/55	37/37	13/55	37/37	12/54	36/36
Bombay	13/55	37/37	13/55	37/37	12/54	36/36

North America	Today	High/Low	Tomorrow	High/Low	Day After	High/Low
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45

## Asia

Asia	Today	High/Low	Tomorrow	High/Low	Day After	High/Low
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45

## North America

North America	Today	High/Low	Tomorrow	High/Low	Day After	High/Low
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45

## Latin America

Latin America	Today	High/Low	Tomorrow	High/Low	Day After	High/Low
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45

## Oceania

Oceania	Today	High/Low	Tomorrow	High/Low	Day After	High/Low
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45
Alaska	12/50	50/48	12/50	48/46	11/49	47/45

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THE AMERICAS

# Starr Rejects Academic Post, Saying Inquiry Won't End Yet

By Rick Weiss

WASHINGTON — The independent counsel, Kenneth Starr, said Thursday that the end of his wide-ranging investigation of President Bill Clinton was "not yet in sight" and that he was giving up an academic post to continue the inquiry.

Mr. Starr signaled he was digging in his heels at a brief news conference outside the federal courthouse here.

Already under fire for his prosecutorial tactics in an investigation of Mr. Clinton that has lasted nearly four years at a cost of more than \$30 million, Mr. Starr said he felt a duty to continue.

He said he had therefore informed Pepperdine University in California that he would forgo a law school deanship he had hoped to assume Aug. 1.

"I had eagerly looked forward to spending many happy years at Pepperdine after completing my duties as independent counsel," he said. "The work of that office has expanded considerably, however, and the end is not yet in sight."

He said the university, which first offered him the post last year, was willing to hold it open indefinitely. But he said he rejected the offer because "I am one who believes in moral commitments, and I am living up to those commitments."

Mr. Starr had been widely criticized because the post he had planned to accept was partly funded by Richard Mellon Scaife, one of Mr. Clinton's fiercest conservative enemies.

Mr. Starr said last year that he was aware the Scaife Foundation provided the funds, but indicated that he saw no conflict of interest. The foundation has financed various organizations that have used media to promote theories about criminal conspiracies involving the Clintons.

When asked about Mr. Scaife on Thursday, the independent counsel said: "I have never met him. I have never talked to him. I had no arrangement — implicit, explicit, direct or indirect — with him."

Mr. Starr had been expected to report to Congress in late May on his investigation into whether Mr. Clinton had a sexual relationship with a White House intern and tried to cover it up, as well as into alleged illegalities in Mr. Clinton's Arkansas business dealings. He gave no time frame for the end of his inquiry.



U.S.-CHILEAN COOPERATION — President Bill Clinton and President Eduardo Frei exchanging documents Thursday after signing bilateral agreements on trade, health and education in Santiago.

# A Breast Cancer Risk: False Alarms

Over 10 Years, One-Third of Women Will Be Led to Fear a Tumor

By Rick Weiss  
Washington Post Service

WASHINGTON — Nearly one-third of all American women who undergo annual breast cancer checkups for a decade can expect to get at least one false alarm, wrongly suggesting the presence of a tumor, according to new research that focuses on the hidden financial and emotional costs of breast cancer screening.

For women who rely entirely on X-ray mammograms, rather than a combination of mammograms and physical examinations, the incidence of these "false positive" findings is even higher, affecting half of all women by their 10th mammogram, the researchers conclude.

The new study, the most comprehensive of its kind ever conducted, suggests that for every \$100 the nation spends on breast cancer screening, an additional \$33 is spent on follow-up tests that ultimately show a seemingly positive result to be negative.

It also highlights an enormous underappreciated emotional toll being exacted upon women, many of whom must endure weeks or even months of worry that they may have cancer before finally learning that they do not.

Joann Elmore, the University of Washington internist whose frequent interactions with women frightened by such diagnoses inspired her to initiate the study, said, "We've been spending

so much time looking at accuracy and efficacy and reducing mortality" by screening, "but we haven't been looking at the big picture, which includes the problems that come with false positives."

Several doctors said the results should not dissuade women from getting breast exams, which have been proved conclusively to save lives by detecting cancer in its earliest and most curable stages. Some experts criticized the study, saying it exaggerated the drawbacks of breast cancer screening programs, which they said by necessity must err on the side of oversensitivity so that real cancers are not missed.

But even critics agreed with Dr. Elmore's call for improved techniques to reduce the rate of false positive results.

"We've come to believe in this country that the important thing is to avoid false negatives and we think false positives are painless," said George Annas, a professor of health law at the Boston University School of Public Health.

"But people always imagine the worst. These women go through hell. And we haven't taken these costs into account at all as we should."

Working with colleagues in Seattle and at Harvard Medical School, Dr. Elmore examined computerized medical records from 2,400 women, ages 40 to 69, who underwent regular breast cancer screening at a large health maintenance organization in Boston during a

10-year period. They ranked mammograms or physical breast exam results as false positives if doctors had deemed them sufficiently suspicious to warrant follow-up tests at the time yet no cancer was diagnosed within the next 12 months. Nearly 20 percent of these non-cancerous women had biopsies as part of their follow-up testing.

On average, the 2,400 women had four mammograms and five physical breast exams each during the decade. All told, 32 percent had at least one false positive result. Those who had 10 mammograms had a 50-50 chance of having a false positive result.

The false positives led to 870 additional outpatient appointments, 539 follow-up mammograms, 186 ultrasound tests, 188 biopsies and one 15-day hospitalization for complications resulting from a biopsy.

If the results are extrapolated to the U.S. population as a whole, the researchers concluded, then 16 million women can be expected to receive at least one false positive mammogram result every 10 years, and 7 million will get a false positive result from physical breast exams.

Using Medicare and HMO data, the researchers calculated that follow-up tests add 33 percent to the cost of breast cancer screening, an amount that could add up to hundreds of millions of dollars a year. They also cited evidence that false positives have significant emotional impacts.

"We need to develop ways to reduce the false positive rates of breast-cancer screening and their associated psychological and economic costs," the authors wrote in the current issue of the New England Journal of Medicine.

In Sweden, they added, false positive rates are one-half to one-fifth those in the United States, with no apparent increase in missed cancers.

Stephen Feig, director of breast imaging at Thomas Jefferson University Hospital in Philadelphia and a spokesman for the American College of Radiology, said Dr. Elmore's study overstated the risks of breast cancer screening.

Follow-up tests are invaluable for ensuring that a breast is normal and for finding nascent cancers before they spread, Dr. Feig said. In Sweden, where the socialized medical system places limits on follow-up tests, cancers that are found tend to be more advanced than those in the United States, he added.

Dr. Feig also discounted the amount of anxiety caused by added mammograms or other follow-up tests. "There may be some anxiety from getting this extra view, but I'd submit that the anxiety is very slight," he said.

## POLITICAL NOTES

### Senator Catches On With Christian Right

WASHINGTON — Senator John Ashcroft, Republican of Missouri, has taken a commanding lead in the battle to win the support of Christian right leaders, eclipsing two better-known rivals in what amounts to the first Republican presidential primary for 2000.

Using his Senate seat as a pulpit to hammer on moral and budget issues, Mr. Ashcroft is laying claim to a conservative constituency also sought by the magazine heir Steve Forbes and former Vice President Dan Quayle. Loudest and clearest have been his attacks on President Bill Clinton, whom he has called a sexual "predator."

The most dramatic signal of Mr. Ashcroft's strength was the disclosure that the religious broadcaster Pat Robertson, chairman of the Christian Coalition, and his wife, Adelia, had

donated \$10,000 to Mr. Ashcroft's political action committee.

Interviews with Christian and social conservative leaders, many of whom are trying to agree on a single candidate to endorse before the start of the primaries, suggested that Mr. Ashcroft had far stronger support than his competitors.

(WP)

then disappeared. One week after the Feb. 6 news conference, about 250 people gathered at the capitol to wave protest signs, including one reading, "Real Men are Real Moral." But early in March, a poll of Denver-area residents showed that the governor's "favorability" rating had not budged from its January level of 54 percent. (NYT)

### Short-Lived Scandal

DENVER — Below the gilded dome of Colorado's Capitol, it was business as usual for Governor Roy Romer this week, signing bills, vetoing a tax cut and endorsing Democratic candidates for statewide offices.

The normalcy contrasted with the furor that followed a February news conference at which Mr. Romer, who has been married for 45 years, acknowledged "very affectionate relationship" with a female aide. The story briefly flared across television screens.

### Quote/Unquote

President Clinton, saying he wanted the Summit of the Americas in Santiago this weekend to guarantee that Latin America's "silent revolution" in free markets and democracy could be enjoyed by all of its citizens: "We need to show that democracy and free markets can make a tangible difference to the lives of common people. That means going beyond elections and market reforms to education, the rule of law, health care and labor rights." (Reuters)

### Away From Politics

• A trainload of napalm that triggered protests when it was shipped halfway across the country is apparently headed back to California. The 12,000 gallons of jellied gasoline, which authorities say is not an explosive danger, was being held in Kansas City while the navy finds a waste management company to handle it. (AP)

• A data processor aboard the space shuttle Columbia failed, forcing postponement of a two-week mission to study the brains and nervous systems of astronauts and a menagerie of 2,052 creatures, including rats and crickets. (AP)

• A tornado killed four people in northeastern Arkansas and western Tennessee, including a brother and sister in their mobile home. At least 22 people were injured. (AP)

# U.S. Seeks the Best of All Legal Worlds

But Insistence on the Supremacy of Its Laws Heightens Global Tensions

By David Briscoe  
The Associated Press

WASHINGTON — When it comes to international agreements, America wants it both ways — full compliance abroad, and the supremacy of U.S. courts, laws and regulations at home.

The rejection of a World Court attempt to stop the execution of a Paraguayan citizen Tuesday was only the latest confrontation.

U.S. laws are increasingly at odds with much of the world on the death penalty, and the United States sometimes becomes the target of trade and environmental accords it helped to write.

The United States is also meeting growing resistance to its leadership of the United Nations because of its failure to pay more than \$1 billion in back UN dues.

"The United States is a rather difficult partner in any international agreement," said Ted Galen Carpenter, a foreign policy analyst with the Cato Institute, which supports free trade and free enterprise. He said other countries had difficulty understanding the complexity of U.S. decision-making, with the administration, courts, Congress and state and local governments having their own powers.

Governor Jim Gilmore of Virginia

said he wanted to protect his state and the world from the convicted Paraguayan murderer, Angel Francisco Breard, so he allowed the execution by lethal injection Tuesday night.

It was the second time in recent months that Virginia executed a foreign national without allowing him access to his government, in violation of an international treaty signed by the United States.

The execution has increased concern at the State Department that Americans who are accused abroad might be treated the same way. More than 3,000 Americans a year are detained in other countries.

In the Breard case, Secretary of State Madeleine Albright made public a letter she sent to Mr. Gilmore that requested a delay. She appealed again in a speech hours before the execution.

The governor was defiant, saying that to delay the execution "would have the practical effect of transferring responsibility from the courts of the Commonwealth and the United States to the international court."

Paraguay, which wanted a retrial, lashed out at the United States, calling the execution "a violation of international treaties and human rights."

In addition to fearing for U.S. citizens

abroad, Mrs. Albright was seeking to ensure that the United States would not be perceived as thumbing its nose at the World Court.

In approving treaties on issues that range from human rights to the banning of chemical weapons, Congress insists U.S. laws and regulations should always prevail.

The challenge for the world's only remaining superpower is to create an orderly world whose accords will be respected by its own courts, Congress, governors and legislators of 50 states.

"There are going to be times when certain agreements go against the United States," said Brian Johnson of the Heritage Foundation, a conservative policy institute that stresses preservation of U.S. sovereignty. But the "bottom line," he said, was that the United States did not have to abide by the decisions of international bodies.

One ruling that went against the United States came this month from the World Trade Organization, which was originally set up under U.S. leadership to break down trade barriers.

The U.S. trade representative, Charlene Barshefsky, said the ruling against a U.S. ban on some shrimp imports would not stop U.S. programs aimed against shrimp harvesting methods that kill turtles.

## AMERICAN TOPICS

### Religious Conversions Recording a Steep Rise

Tim Slack, a Miami-area businessman, was so wound up by the daily challenges of the dog-eat-dog corporate world that he often lay awake at night in torment. Mr. Slack, 34, longed for the peace he saw in his mother-in-law, a Roman Catholic from Cuba, who gently advised him: Trust God.

So Easter weekend, he became a Roman Catholic. "I'm not chasing after the treasures of the American economy any longer," he said. "My primary focus now is on the treasures of God's kingdom."

Mr. Slack is far from alone. In his region, South Florida, the Catholic Church gained a record 2,000 converts during the Easter weekend, a traditional time for adult conversions. Nationwide, a growing number of Americans are exploring spiritual territory uncharted by their parents, reports The Miami Herald. In an age of geographic mobility, lifestyle freedom and interfaith marriage, Baptists are becoming Catholics, Hispanic

Catholics are thronging to Pentecostal storefront churches, Jews are practicing Buddhism and people who spent their childhoods in A.M.E. Zion churches are worshipping in Muslim mosques.

In all, one-third of American adults have converted from their childhood religious denomination to another one, according to a Princeton University figure, according to a Princeton University figure, according to a Princeton University figure, according to a Princeton University figure.

The shift appears especially clear among baby boomers. Mary Jo Klingel, a Fort Lauderdale psychotherapist who was raised Protestant and now attends Quaker meetings, expresses the sentiment motivating many boomers: "The Quaker idea of simplicity is something I'm struggling with," she said. "I'm trying to buy less, reuse more and get some of the excess out of my house. I don't need all these things."

**Short Takes**

Nevada has the highest suicide rate in the country, double the national rate in 1995, the last year figures were available. But researchers say the blame cannot be laid at the doors of Nevada's glittery casinos. "We very seldom see gambling directly attached to a suicide," said Ron

Fluid, the county coroner in Las Vegas. "The No. 1 reason for suicides here is failed relationships." Most calls to Nevada suicide hotlines have to do with relationship, health or financial problems. Because Nevadans are exceptionally rootless, many have no one to turn to in troubled times.

In Montana, a Yellowstone National Park committee on grizzly bear management has endorsed a weapon of urban protection — pepper spray — for defense against the huge bears. The spray has already become popular among hikers, hunters and fishermen as an effective alternative to a firearm. The Yellowstone committee notes that the best sprays are those that make a loud hissing sound, issue a thick fog and contain 10 percent oleoresin capicum.

Things may be changing in New Mexico, Land of the Endless Sale. Noting that some craft stores in the popular tourist state have been advertising 50-percent-off sales for 20 years or more, Attorney General Tom Udall is proposing a crackdown. He would permanently end "dubious price discounts" for such Indian souvenirs as pottery, jewelry and dolls. In 1996, \$145 million was spent in 1996 on Indian arts and crafts.

Brian Knowlton

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## INTERNATIONAL

# UN Team To Withdraw From Congo

## Annan Cites Obstruction Of Massacres Inquiry

By John M. Goshko  
Washington Post Service

UNITED NATIONS, New York — Secretary-General Kofi Annan has decided to withdraw the United Nations team investigating massacres in Congo because of government obstruction.

UN sources said Mr. Annan would announce, probably Friday, that he was ending the eight-month effort to investigate reports that President Laurent Kabila's forces and their allies murdered thousands of Hutu refugees from neighboring Rwanda during the rebellion that toppled Zaire's longtime dictator, President Mobutu Sese Seko, last May.

Mr. Annan suspended the investigation last week after Congolese authorities detained a Canadian member of the team.

The secretary-general is acting on the advice of his top advisers, including Mary Robinson, the UN high commissioner for human rights, the sources added. They said senior UN officials agreed that the Kabila government's repeated breaking of promises to cooperate and its harassment of UN personnel made it impossible to complete an inquiry that would have any credibility.

Mr. Annan's decision, as described by the UN sources, marked another demonstration of growing international disappointment with Mr. Kabila, whose takeover was seen as a chance for Congo to rise out of the chaos, corruption and poverty left by the late Marshal Mobutu's 32 years in power. President Bill Clinton, for instance, avoided Congo during his recent Africa tour and expressed U.S. misgivings about political restrictions there when he met Mr. Kabila at a conference of heads of state in Entebbe, Uganda.

Some UN officials said Mr. Kabila and his key aides, who believe Western powers conspired with Marshal Mobutu to keep them from power, apparently have become convinced that their hopes of substantial financial aid will not be fulfilled. According to this view, they therefore found no incentive to cooperate with an investigation that could prove damaging to them and their allies in the Rwandan government.

The United States, which sees the United Nations as an important instrument for exerting influence in Congo, had urged Mr. Annan to consider carefully whether some way could be found to keep the investigation going, the sources said. The Clinton administration had called on Mr. Annan earlier to handle Mr. Kabila with patience and a willingness to compromise, including agreeing to Mr. Kabila's demand for replacement of the UN team initially assigned to investigate the massacre allegations.

U.S. officials acknowledged Thursday that the administration asked that the investigation team be permitted to finish its work on the theory that it would maintain the UN link to Congo, the former Zaire, and help to start reconciliation in central Africa's volatile Great Lakes region. But, the officials insisted, Washington made no demands and did not pressure Mr. Annan to do its bidding.

Mr. Annan sent the team to Congo last August to look into allegations that during the seven-month guerrilla campaign that brought Mr. Kabila to power, his forces, aided by the Tutsi-dominated Rwandan Army, massacred large numbers of Hutu, including women and children, who fled Rwanda after the Tutsi took control. Rwanda has a long history of tribal animosity between Tutsi and Hutu, and the killings in Congo allegedly were part of a Tutsi retaliation for the 1994 Hutu genocide campaign that killed more than 500,000 Rwandan Tutsi.

Despite warnings from the United States and European countries that future aid to rebuild the war-ravaged Congo depended on cooperation with the UN inquiry, Mr. Kabila's government repeatedly put obstacles in the path of the investigators. It delayed giving them permission to visit alleged massacre sites in eastern Congo and repeatedly balked progress with disputes about the scope of the investigation and charges that the team was desecrating graves.

Escalating harassment came to a head last week when Congolese authorities detained a Canadian member of the team in the eastern city of Goma and then again at the Kinshasa airport. After Mr. Robinson criticized the incident harshly, Mr. Annan suspended the team's activities and instituted his review about whether to pull the plug on the entire operation.

# Annan Tells Africans to Accept Blame

The Associated Press

UNITED NATIONS, New York — African leaders must look beyond their colonial past and accept responsibility for many of the political, social and economic problems plaguing the continent, the United Nations secretary-general, Kofi Annan, said Thursday.

Mr. Annan, a native of Ghana and the first sub-Saharan African to head the UN, also said the world community could help Africa by opening markets, providing new sources of funds and focusing aid on such "high-impact areas" as education, clean water and health.

In a report to the Security Council, Mr. Annan also said the disastrous failure of the UN peacekeeping operation in Somalia in 1993 should not discourage such UN operations in Africa.

"The memories of that operation continue to hobble the United Nations' capacity to respond swiftly and decisively to crises," he said.



What was identified Thursday as the body of Pol Pot, the former Khmer Rouge leader, in a Cambodian village.

## POL POT: Facing Capture and Trial, Ex-Tyrant Is Found Dead

Continued from Page 1

"He's dead. That was Pol Pot," Mr. Thayer said in a phone interview shortly after he crossed the border back into Thailand. "There was no question that was Pol Pot."

Mr. Thayer said he had spent time questioning Mr. Pol Pot's wife and daughter, as well as the Khmer Rouge commander who replaced him as head of the outlawed guerrilla group, and that he believed the Khmer Rouge's reports that Mr. Pol Pot had died of natural causes.

Mr. Thayer said he had inspected the body closely and seen no outward evidence of foul play. "I don't believe he was killed," he said.

"He'd been fleeing for the last 20 days under very difficult circumstances," Mr. Thayer said. "It would be very logical that he would succumb because he was a very sick man to begin with."

The initial skepticism surrounding reports of the Khmer Rouge leader's death showed how even in death, Mr. Pol Pot, the man deemed responsible for the deaths of 1.5 million to 2 million of his countrymen — a third of the population — remained enigmatic.

Many people — Cambodians, scholars and members of the international community who had been planning for an international war crimes trial — expressed frustration that Mr. Pol Pot's death had robbed the world of the chance to force him to answer for his crimes and

in the process, try to decipher the roots of his evil.

Mr. Thayer, who has spent a decade tracking Mr. Pol Pot and who last year became the first journalist to interview him in 18 years, said: "A lot of questions died with him. Obviously, justice was served and now obviously can't be."

Some top-ranking Khmer Rouge leaders who assisted him, such as Ieng Sary, have defected to the government and are now living freely in Cambodia. The notorious commander Ta Mok,

known as The Butcher, now leads the remnants of the Khmer Rouge army, believed to number just a few hundred soldiers.

But even while Mr. Pol Pot's death may have cheated the victims of a chance for justice, his death also avoids the troubling and embarrassing questions that a public airing of his crimes would have raised.

Hun Sen, the current Cambodian leader, was himself a Khmer Rouge soldier who defected.

King Norodom Sihanouk, who lost several members of his family in Mr. Pol Pot's purges, agreed to serve as the nominal leader of the Khmer Rouge-led faction that fought the Vietnamese occupation for more than a decade beginning

in 1979. The United States, through three administrations, provided covert aid to that three-party resistance coalition even though the Khmer Rouge were by far the dominant partner.

And when Mr. Pol Pot's guerrillas were near extinction on the Thai-Cambodian border, China sent in large amounts of money and arms to revive the Khmer Rouge.

Mr. Pol Pot — elderly, denounced by his followers in a show trial and held under house arrest in the jungles of Angkor Veng in the remote north of the country — had ceased to be a major factor in Cambodia's politics.

His guerrillas had long ago become more of a nuisance than a true military threat, capable of disrupting security in the outlying provinces but never considered capable of launching any serious attempts to seize power again.

Two weeks ago, a mutiny and defection by several thousand Khmer Rouge troops at Angkor Veng reduced the number of diehards led by Mr. Ta Mok.

The guerrillas, it seemed, had wanted to use Mr. Pol Pot as a possible bargaining chip, offering to turn him over to an international tribunal, according to Mr. Thayer's report published in the Thursday issue of the Far Eastern Economic Review.

His death thus raised immediate suspicions because of the timing.

First, the death came on the eve of the anniversary of the Khmer Rouge takeover of Phnom Penh, April 17, 1975. And it followed reports that President Bill Clinton's administration was lining up world support for an international tribunal.

Pol Pot, whose real name was Saloth Sar, was born in 1925 to a farming family in Cambodia's Kompong Thom province, north of the capital. He went to Paris in 1949 on a government scholarship to study radio technology.

In France in the 1950s, Mr. Pol Pot spent more time studying socialist politics than electronics and became enamored with China's revolution under Mao Zedong.

He returned to Cambodia and became immersed in leftist politics but fled to the jungle in the early 1960s after the government, then led by Prince Sihanouk, ruthlessly crushed leftist opposition in the capital. Mr. Pol Pot helped form an army, which Prince Sihanouk dubbed the "Red Khmers," as the Cambodian people are sometimes known, or "Khmer Rouge" in French.

Prince Sihanouk was overthrown in 1970 by General Lon Nol, and eager to return to his throne, he joined forces with the struggling Khmer Rouge, lending them credibility.

General Lon Nol's regime proved corrupt and incompetent, allowing the Vietnam War to spread to Cambodian soil by permitting U.S. bombing of suspected Vietnamese weapons routes through Cambodia. The bombing, and General Lon Nol's abuses, drove more peasants into the ranks of the Khmer Rouge.

After he took the capital in 1975, Mr. Pol Pot embarked on what he termed Cambodia's "Year Zero," banning any form of money, shutting temples and schools, banishing millions from the cities to hard labor in the countryside and executing anyone suspected of being middle-class, professional or religious or of having links to the old regime.

He also shut the borders, turning Cambodia into one of the most isolated countries in the world.

His dream was to build a Maoist-style Communist utopia; in reality, Cambodia was turned into a brutal killing field, where as many as 2 million perished through disease, starvation, forced labor or execution.

Mr. Pol Pot extended his brutality to attacks on Vietnamese border villages as the Khmer Rouge tried to seize territory, prompting a Vietnamese invasion that toppled his regime in January 1979 and left Mr. Pol Pot and his loyalists largely isolated on the Thai border.

It was only in 1979 that the full story of the Khmer Rouge horror emerged, when the Vietnamese conquerors allowed foreigners in to see the country and when hundreds of thousands of sick and starving refugees poured into Thailand.

But with Chinese assistance, the Khmer Rouge regrouped into a potent army that waged a decade-long, low-level guerrilla war that ended with Vietnam's withdrawal in 1989 and a later peace deal between the warring factions.

The Khmer Rouge then pulled out of the elections and returned to the jungles.

## TYRANT: No Answers Now

Continued from Page 1

shadow over the nation that he all but destroyed.

The continuing violence, political feuds, corruption, and social fragility of Cambodia are his legacy.

From 1975 to 1979, he and his black-clad followers killed off the country's educated classes, its monks, its minority groups, its technicians and artists. Many more died of starvation, disease and overwork. Virtually every Cambodian alive today lost a relative.

This is a nation of 8 million victims of post-traumatic stress disorder.

It is a nation that has still not come to terms with its past, a land where torturers now live side by side with their victims and the bones and skulls of the dead lie unburied in heaps on the sites of Mr. Pol Pot's killing fields.

Many Cambodians seemed to shrink from the idea of a trial, preferring not to look too closely at the horrors of their past or to disturb the demons of their present. Many people here insisted that this was all in the spirit of Buddhist forgiveness.

But reactions Thursday seemed to belie that apparent passivity.

Discussing a man whose name is still spoken in lowered voices, people said Thursday that they had hoped for an accounting.

"He was an old man and he didn't have any power, so he was not frightening to me any more," said Ahmad Yahya, a member of Parliament who lost several brothers and cousins to the Khmer Rouge.

"But I lament that he passed away, like I lost something, lost some answers."

Thursday was the final day of Cambodia's three-day New Year festival, and the streets of the provincial capital of Siem Reap were filled with merrymaking. In the park near the Summer Palace of King Sihanouk and the walkways surrounding the ancient temples of Angkor Wat, people splashed each other with water and white powder.

It was a festival that had just been completed 23 years ago, on April 17, 1975, when the Khmer Rouge marched into the capital of Phnom Penh and emptied it of its 3 million residents, launching their murderous regime.

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Pol Pot, when he was still ruling Cambodia as head of the Khmer Rouge and directing his state campaign of killings.

Many people among the crowds on Thursday had not yet heard the news of Mr. Pol Pot's death. Some were skeptical, after years of rumors and disinformation from the Khmer Rouge headquarters.

If the news is true, said Crouch Chanda, a secretary from Phnom Penh who was visiting the temples with her small daughter, she would be disappointed.

"When I heard on the Voice of America that he would be put on trial I was very happy," she said. "He made many people suffer."

Bnt Mr. Chhang, who heads the Documentation Center of Cambodia, a private research office partly funded by the United States, said there were still accounts to be made.

After the defections of most of the Khmer Rouge guerrillas, a small core of Mr. Pol Pot's close lieutenants remains at large in the Dangrek Mountains in northern Cambodia, close to the border of Thailand.

"A lot of people think the death of Pol Pot is the end of the Khmer Rouge," Mr. Chhang said. "That's not true. Ta Mok is still at large. Nuoo Chea, Khieu Samphan, We should not let them escape justice."

"I have 150,000 pages of high level documents, and I can get them to any lawyer in the world by e-mail within 15 minutes."

## EQUALS: New Attitude in Latin America

Continued from Page 1

with the United States about joining Canada and Mexico in an enlarged North American Free Trade Agreement. Instead, these talks will be multilateral, with the United States just one player and other countries free to participate individually or as blocs.

The result, although still only a framework for negotiations, illustrates an extraordinary maturing of U.S.-Latin relations through the prism of free trade, analysts say. Symbolically, it brings a respite to the perception of Uncle Sam as Big Brother to this part of the world.

"The situation is obviously different now" than at the first Americas summit in Miami, President Frei said in an interview. He suggested that Latin America would proceed toward economic integration with or without the United States.

"We are going to launch the movement to reach this accord by 2005," Mr. Frei said, adding that Chile had agreed with the Clinton administration to advance the process in the talks.

He warned, however, that the problem of fast-track legislation "is going to have to be resolved along the way."

"Regardless," he said, "the integration process is now practically impossible to stop."

U.S. officials maintain that they have yet to give in to the Latin Americans on anything concrete and that procedural concessions were necessary to win acquiescence for the creation of a study group to consider social, environmental and labor issues. Those issues are at the heart of opposition to free trade among congressional Democrats and were the sentiments that derailed the fast-track legislation on Capitol Hill late last year.

U.S. trade officials say that without ensuring some mechanism for interjecting those issues into the trade talks there was little chance that Congress would endorse a hemispheric free-trade pact.

"We have a moment to establish a general partnership based on mutual trust and respect," said Thomas McLarty, the White House special envoy for the Americas. But "at some point, you certainly need to shape it and advocate U.S. interests."

The United States and Latin America are moving toward a free-trade compact for distinct reasons. For the United States, a pole-to-pole free-trade zone would give it preferential access to the region's fast-growing markets and economies. Latin business leaders, noting the recent economic troubles in Asia, have put themselves forward as an attractive alternative market for goods and a good place for investment.

The United States has watched, meanwhile, as Latin nations have decided not to wait for Washington to leap aboard the free-trade train. Chile, for instance, has struck bilateral accords with Canada and Mexico. From 1990 to 1996, overall trade doubled in Latin America, to \$493 billion, according to the Inter-American Development Bank, with the spoils being shared largely within one Latin American trading bloc — the largest being Mercosur, which encompasses Brazil, Argentina, Paraguay and Uruguay, and represents nearly two-thirds of the region's overall trade volume.

For Latin America, the primary benefit would be increased U.S. investment and, for consumers, cheaper American goods. Such nations as Argentina, Chile and Peru are eager for the kinds of benefits that came to Mexico as a result of NAFTA, including new jobs and high-tech factories built with U.S. dollars.

But there are forces in Latin America that oppose the idea of dropping trade barriers, in countries both big and small. In large nations, such as Brazil, domestic companies that have long enjoyed a captive marketplace do not want to surrender their advantage to U.S. competition.

There is resistance on some negotiating issues in the United States as well, chiefly arising from labor concerns. Then Lee, the assistant director for public policy at the AFL-CIO, says, for example, that the trade committee on labor issues may be no more than window-dressing aimed at appeasing Democrats in Congress.

"Our view is that this could be a positive step if it turns out to be a stepping-stone to have the concerns of labor and environmental groups reflected in the final agreement," said Ms. Lee. "But it is not acceptable if all we get is a committee and nothing more by way of results. Our sense, frankly, is that the Latin American ministers still have great hostility to considering worker rights and workplace safety issues."

Mr. Botha, 82, is on trial for ignoring a subpoena to testify before the Truth and Reconciliation Commission, which is investigating apartheid-era political crimes. The case has focused on statements by former ministers and security police that torture and murder were officially sanctioned under Mr. Botha.

The first witness, the Truth Commission executive secretary Paul van Zyl, explained why the panel believed it necessary to subpoena Mr. Botha.

He said the commission had collected evidence of 1,965 acts of torture by security forces between 1980 to 1989, when Mr. Botha headed the State Security Council — an inner cabinet that coordinated the crackdown on black liberation groups.

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Mr. Botha, 82, is on trial for ignoring a subpoena to testify before the Truth and Reconciliation Commission, which is investigating apartheid-era political crimes. The case has focused on statements by former ministers and security police that torture and murder were officially sanctioned under Mr. Botha.

The first witness, the Truth Commission executive secretary Paul van Zyl, explained why the panel believed it necessary to subpoena Mr. Botha.

He said the commission had collected evidence of 1,965 acts of torture by security forces between 1980 to 1989, when Mr. Botha headed the State Security Council — an inner cabinet that coordinated the crackdown on black liberation groups.

U.S. Turns to Russia's Hardball Tactics

Russian General in Attack in Cau

Parliament Votes

The High Is Lower Marijuana Use by Dutch Is Declining

Havel's Doctors Plan for a New Operation



EUROPE

# U.S. Turns to Russia-Latvia Dispute

## Moscow's Hardball Tactics Prove Popular in Domestic Politics

By Steven Erlanger  
New York Times Staff Writer

WASHINGTON — The United States has been working quietly with other nations to defuse a growing confrontation between Russia and Latvia that threatens to damage Washington's already fraying relationship with Moscow.

The Latvian cabinet agreed Wednesday on important changes in its citizenship laws to answer Russian contentions that Latvia mistreats Russians who live there, senior U.S. officials said. The legislation, which is subject to approval by Parliament, would grant citizenship to all children born in Latvia after Aug. 21, 1991, and would make it easier for Russian-speakers to become naturalized.

White House officials have grown increasingly concerned over Moscow's "bullying rhetoric and tactics against Latvia," including threats of economic sanctions, an official said. Washington sees the crisis as an important test of the charter that President Bill Clinton signed Jan. 16 with the Baltic nations of Estonia, Latvia and Lithuania, which regained their independence when the Soviet Union collapsed in 1991.

The State Department spokesman, James Rubin, said sanctions would be counterproductive. "The two countries should work out their problems through diplomatic channels," he said.

The Russians have said they will take steps including asking for the immediate repayment of debts — which Riga dis-

putes — and cutting off some shipments of oil to Latvia.

The underlying fear, Latvian officials say, is that if the Russians can get away with Soviet-style tactics to put pressure on Latvia without a significant response from the United States or Europe, they will try it on others.

Since a demonstration by a few thousand Russian-speaking residents of Latvia was broken up by police March 3 — a demonstration that some in Washington say Moscow had organized — Russia has likened Latvia's treatment of its ethnic Russians to life in Cambodia under the genocidal rule of Pol Pot in the 1970s.

Russian officials, led by President Boris Yeltsin, have turned up the pressure on Latvia in ways reminiscent of the Soviet Union — a move that has proved very popular at home.

The state secretary of the Latvian Foreign Ministry, Maris Riekstins, who is in Washington to discuss the matter with U.S. officials, said that attacking Latvia "is unfortunately the one issue that has managed to unite Russia's government, Parliament and media."

So far, Washington has tried quiet diplomacy, with Mr. Clinton writing the Latvian president, Guntis Ulmanis, last week and Secretary of State Madeleine Albright writing a sharply worded letter to Foreign Minister Yevgeni Primakov of Russia that was delivered Wednesday.

In her letter, Mrs. Albright said Washington was concerned about the dangerous trend of rising tensions between Russia and Latvia and warned against the use of sanctions.

The United States, the Nordic countries and Britain, as the current president of the European Union, have all lodged protests with Moscow, officials said.

The proposed changes by the Latvian cabinet, encouraged by Western officials and recommended by the Organization for Security and Cooperation in Europe, may be enough to promote a dialogue between Moscow and Riga and calm matters down, the officials said.

# Russian General Slain

## In Attack in Caucasus

MOSCOW — Unidentified gunmen killed a Russian general and three fellow officers and wounded seven other servicemen Thursday in an ambush in the Caucasus region of North Ossetia, a Defense Ministry spokesman said.

The Interfax news agency quoted the acting interior minister, Sergei Stepashin, as saying that the attack could have been an attempt by a radical field commander in the nearby secessionist region of Chechnya to derail peace talks between Chechnya and Moscow.

A ministry spokesman said that the gunmen attacked a military column early Thursday about five kilometers (three miles) from the Mozdok air base, Russia's biggest military installation in the volatile southern region.

penko of the Russian General Staff was killed when the attackers fired at cars with grenade launchers, the spokesman said.

Earlier Thursday, Interfax reported that Colonel General Nikolai Mukhin, deputy commander of the artillery and missile arm of Russia's ground forces, had been badly wounded.

Russian news agencies said that the attackers had escaped without suffering casualties. Interfax quoted Mr. Stepashin as saying that the attack probably had been carried out by a group of Chechen guerrillas not controlled by the separatist government in Grozny, and that it probably was aimed at disrupting peace negotiations.

Interfax quoted the Chechen leader, Aslan Maskhadov, as denouncing the attack and denying any connection with it.

# Parliament Votes to Investigate Ciller

ANKARA — Turkey's Parliament voted Thursday to begin an investigation of former Prime Minister Tansu Ciller on corruption charges that could lead to a trial against her in the country's highest court.

"The motion has been accepted," said Hasan Korkmazcan, the parliamentary speaker, in announcing the result of a show of hands in the National Assembly.

Prime Minister Mesut Yilmaz's Motherland Party had charged that Mrs. Ciller and her businessman-husband had accumulated vast wealth while she was in the government from 1993 to 1996.

Mrs. Ciller denies any wrongdoing and says the accusations are an attempt

to undermine her politically. She had the right to address Parliament on Thursday to defend herself but did not turn up.

Deputies from her rightist True Path Party walked out of Parliament in a debate before the vote.

Earlier, in a move to topple her conservative arch-rival, Mr. Yilmaz, Mrs. Ciller said that her party would ask Parliament for early elections. Elections are set for the end of 2000.

But Mr. Yilmaz received a pledge of continued backing from a leftist party that should keep afloat his alliance, which has been under sustained pressure from the opposition for 10 months.

Deniz Baykal, the leftist leader, said at a news conference that the Repub-

lican People's Party would continue with the approach it has taken since the Yilmaz government was formed last June. Mr. Baykal had previously threatened to drop his support for the government if Mr. Yilmaz did not call elections this year.

The growing belief that the government will avoid early elections has strengthened Turkey's touchy financial markets. Istanbul's share index hit a high, up 7.08 percent at 4,092.40, after Mr. Baykal's comments Thursday.

The government needs the support of Mr. Baykal and his party's 55 deputies for a majority in Turkey's 550-seat Parliament. Mr. Baykal pledged to back the tax reforms and anti-Islamist measures that are Mr. Yilmaz's priorities.

# The High Is Lower:

## Marijuana Use by Dutch Is Declining

AMSTERDAM — The number of Dutch people who use marijuana now is less than half that cited in past studies, according to a report published Thursday by the University of Amsterdam.

Its Center for Drug Research showed that between 2 percent and 3 percent of the people over the age of 12 had used marijuana, compared with previous estimates of 5 to 6 percent. The results indicated that there was less use of the soft drug in the Netherlands than in the United States, where between 4.2 percent and 5.3 percent of the population over 12 had used the drug as of last month, the study said.

Peter Cohen, one of the writers of the Dutch report, said he considered it to be representative of the whole Dutch population because data were collected from towns across the country.

Small quantities of marijuana — a maximum of five grams per person per day — can be sold legally in specialized shops or "coffee shops," even though drugs are illegal in the Netherlands.

# Ulster Poll Backs Accord

Unionist Leader Says Pact Is 'as Fair as It Gets'

BELFAST — Northern Ireland's most prominent Protestant leader began the task Thursday of selling a historic peace deal to his divided constituency as a poll suggested there was overwhelming public support for it.

Bolstered by the newspaper survey indicating 73 percent of the province backed the deal, David Trimble of the Ulster Unionist Party insisted, "This agreement is as good and as fair as it gets."

He added: "It would be quite foolish even to contemplate other alternatives. This party is not going to abandon the opportunity that is there."

By common consent, Mr. Trimble has one of the hardest tasks of all political leaders in Northern Ireland in persuading Protestants to back the settlement in a referendum May 22.

The deal to which he agreed last Friday was a compromise between the ambitions of pro-British unionists, mainly Protestant, and those who seek a united Ireland, mainly Roman Catholic.

Although the proposals would see the province remain part of Britain, it would also formalize a role for the Irish government in the North's affairs, which is anathema to hard-line unionists.

On Wednesday, a key Protestant group, the Orange Order, which has 80,000 members in the province and a large membership overlap with the Ulster Unionist Party, said it could not recommend the deal as it stood.

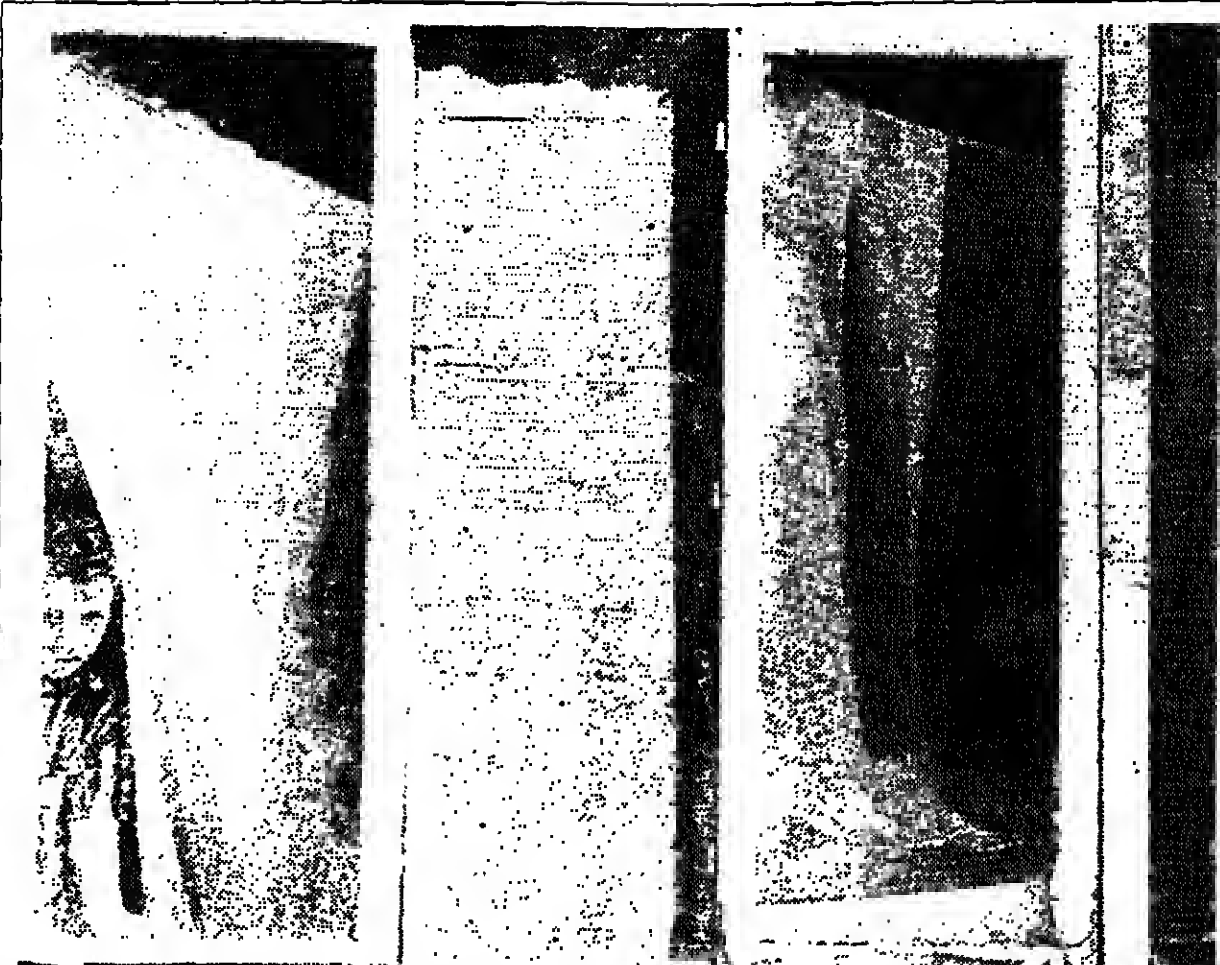
The same day, the Reverend Ian Paisley, firebrand leader of the second main Protestant party, the Democratic Unionists, began his campaign for a "No" vote in the referendum, accusing Mr. Trimble of betrayal.

But a poll published Thursday suggested such hard-line stances might be out of step with popular opinion in Northern Ireland and could relegate "No" campaigners to the sidelines of Ulster politics.

Results of the poll, published in Thursday's editions of The Guardian of London and The Irish Times, showed 73 percent planned to vote "Yes" in the referendum, with only 14 percent voting "No." About 1,000 people were interviewed in the Republic of Ireland, 1,000 in mainland Britain and 500 in Northern Ireland.

The poll showed that 61 percent of Ireland's population, also voting in a referendum May 22, backed the agreement.

BRIEFLY



HOME COMING — Bosnians who returned to Dobrinja, a suburb of Sarajevo, peering Thursday through the shattered windows of the homes they lived in before the war and which they have reclaimed.

# 2 Resettled Bosnian Serbs Killed

SARAJEVO, Bosnia-Herzegovina — Two Bosnian Serbs who had recently returned to their prewar home in western Bosnia were found dead in their burning house Thursday, international officials said.

The man and woman both had been shot in the back, and the man also had stab wounds, Alexander Ivanko, a United Nations spokesman, said. The victims had complained to international police about intimidation by Croats, according to a Western diplomat who spoke on condition of anonymity.

The deaths in the town of Drvar are the latest evidence of problems in the resettlement process in Bosnia. More than 30 Serb houses in Drvar have been burned this year. (AP)

# Yeltsin Standing by Kiriyenko

MOSCOW — President Boris Yeltsin warned lawmakers Thursday that he would again propose Sergei Kiriyenko for prime minister if Parliament rejects his candidate a second time in voting set for Friday.

"The president has no candidate except Sergei Kiriyenko," Mr. Yeltsin's spokesman, Sergei Yastrzhembsky, said, according to the Interfax news agency. The spokesman quoted Mr. Yeltsin as saying that the current political standoff "costs Russia dearly from an economic and financial point of view."

Mr. Kiriyenko met Thursday with Communists and other factions in the State Duma in an attempt to bolster support in advance of Friday's vote. (AP)

# Jail for Delinquents' Parents?

PARIS — The government is considering stiff fines or even jail terms for parents of juvenile delinquents as part of a bid to curb a dramatic rise in urban violence in France.

Two Socialist deputies presented Prime Minister Lionel Jospin with a 250-page report Thursday outlining ways of curbing youth violence.

The report proposes fines and jail terms of up to two years for parents deemed to have neglected children who fall into

# For the Record

Zoran Zigic, 39, a Bosnian Serb war crimes suspect, was handed over Thursday to NATO forces in Bosnia to be transferred to the UN war crimes tribunal in The Hague. He had been serving a sentence in a military prison in the northwestern Bosnian town of Banja Luka. (AFP)

# THE MINISTRY OF COMMUNICATIONS

The Romanian Post Office Privatization Project  
Consultancy Services for Corporatization and Preparation for Privatization (Stage One)

## Specific Procurement Notice

- This invitation for bids follows the general procurement notice for this project that appeared in Financial Times (Issue nr D8523A of April 9th, 1998) and in International Herald Tribune (Issue nr 35801 of April 9th, 1998)
- The Ministry of Communications (MOC) of the Government of Romania and the Romanian Post Office (RPO) have decided to implement the strategy for restructuring of postal services sector through the Romanian Post Office Privatization Project (the Project). The Project is phased in two stages, as follows:  
Stage One: Corporatization and Preparation for Privatization of RPO;  
Stage Two: Privatization of RPO by Initial Public Offer (IPO).
- The MOC and RPO now intend to hire Consultants for Stage One: Corporatization and Preparation for Privatization of RPO, and invite sealed bids from eligible bidders for:  
\* Financial Audits - according to Romanian Accounting Standards and International Accounting Standards, and RPO Financial Forecast;  
\* Assistance for the transformation of RPO from its present status as a Regie Autonome to a joint stock company;  
\* Development of Financial Management Action Plan for RPO;  
\* Business Advisory Services (to forecast potential business and services, etc.);  
\* Preparation of Stage Two Term Sheet.
- The Stage Two of the Project will be scheduled upon the completion of the Stage One. The key objectives of Consultancy Services for Stage Two (Privatization of RPO by IPO) will comprise the development of a valuation of the company and a sole strategy, and sale of RPO's shares.
- Bidding will be conducted through an international competitive bidding procedure, according to Romanian legislation. Interested eligible bidders may obtain further information from the RPO at the address given below from 10:00 to 16:00 hours, local time, Monday to Friday.
- During the period April 21st - 30th 1998, from 10:00 to 16:00 hours, local time, a complete set of bidding documents in English may be purchased by interested bidders by the submission of a written application to the address below and upon payment of a nonrefundable fee of US\$ 1,500. The method of payment will be direct deposit to the RPO account nr 25.110.090.090777.300.00.9 BANCOREX, Victorio Branch, 155 Colea Victoriei Ave., 70012 Bucharest, Romania. The documents will be sent by international courier or handed to an authorized local representative presenting a proper power of attorney.

Romanian Post Office  
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Romania  
Attn: Mr. Gabriel Mateescu  
Phone: +401/400 1102  
Fax: +401/400 1515

# Havel's Doctors Plan

## For a New Operation

VIENNA — President Vaclav Havel of the Czech Republic must undergo another operation within six weeks to remove a tumor inserted into his colon, Austrian doctors said Thursday. Dr. Ernst Bodner, the chief surgeon at University Clinic in Innsbruck, where Mr. Havel is hospitalized, said that some 35 centimeters (14 inches) of his colon was removed during an operation Tuesday. A "routine" operation, Dr. Bodner said, is still needed to take out the excrescent in order to stop the infection.

"The operation's necessary in order to stop the infection process," he said, according to the Austria Press Agency.

Everything else can be fixed by antibiotics. Dr. Bodner added that there was no sign of complications. It is unclear whether Mr. Havel's latest medical crisis will prevent him from helping to resolve the political stalemate that prevented him from parliamentary elections June 19 and 20.

The 61-year-old president, who has a recent history of health problems, was rushed to a surgical ward in Innsbruck on Tuesday from the nearby Alpine resort where he was vacationing. Doctors diagnosed a ruptured colon and acute peritonitis.

He was reported by doctors to be in satisfactory condition Thursday. (AP, Reuters)

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## ASIA/PACIFIC

## Japan's Lack of Leadership Pushes ASEAN Toward Cooperation With China

By Michael Richardson  
International Herald Tribune

SINGAPORE — China has used its strong economy and apparent immunity to Asia's financial turmoil to gain significant diplomatic favor with its previously suspicious neighbors at the expense of Japan, which has failed to meet regional expectations of leadership, officials and analysts say.

As a result, when officials of the Association of South East Asian Nations hold their annual meeting Friday and Saturday in Kuala Lumpur with their counterparts from Beijing, China will be treated as a cooperative partner, rather than a threat to Southeast Asia's security.

"China is really emerging from this smelly good," said Rodolfo Severino Jr., the secretary-general of ASEAN. "We still have a territorial problem with China, but otherwise things are going well between ASEAN and Beijing."

ASEAN includes Brunei, Burma, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam in a group that could potentially act as a counterweight to China or any other large regional player.

In a move to consolidate its new image and role as a benevolent power, China sent its recently

appointed foreign minister, Tang Jiaxuan, to Indonesia this week with an offer of an aid package worth more than \$600 million to help overcome the Indonesian financial and economic crisis.

It was Mr. Tang's first solo trip abroad since he was chosen by the Chinese Parliament last month to replace Qian Qichen. Southeast Asian officials said that his decision to visit two ASEAN countries — Indonesia and Singapore — was significant.

"It shows the importance Beijing is giving to good neighborly relations and its desire to cooperate with other countries in the region in these difficult times," Mr. Severino said.

He added that Mr. Tang had personally assured him there would be no change in China's foreign policy, unless it was to strengthen ties between China and ASEAN.

Beijing's assistance, gratefully accepted by President Suharto of Indonesia, included \$400 million in standby loans as part of a \$4.3 billion rescue package for the country organized by the International Monetary Fund, as well as bilateral aid in the form of medicines, trade credits and increased harder exchanges so that Indonesia can save its scarce hard currency reserves.

China's assistance, totaling several billion dollars, to Indonesia and other troubled East

Asian economies, including Thailand and South Korea, is dwarfed by similar Japanese aid to the region amounting to more than \$19 billion.

Yet Asian countries have been disappointed by Tokyo's failure, despite repeated economic stimulus packages, to get the Japanese economy growing fast enough to absorb more of the exports they must sell if they are to recover.

"While we in ASEAN recognize the mea-

## China's new image and role in the ASEAN is that of a benevolent power.

sures implemented by Japan to stimulate its own economy, we believe that Tokyo can be more responsive to its neighbors and friends," Malaysia's deputy prime minister and finance minister, Anwar Ibrahim, said last week in Singapore.

He said ASEAN had taken note of Japanese willingness to adopt a more prominent role in helping Southeast Asia in recent weeks but added that what was really needed was trade liberalization by Japan that would provide greater access to Asian products and reduce its huge trade surpluses with the region.

In previous financial or economic crises af-

fecting Asian countries, China stood aloof, leaving Japan — the world's second largest economy after the United States — to coordinate responses with Washington, even though Beijing often criticized such coordination as evidence of American and Japanese attempts to exert hegemony over the region.

China's readiness in this crisis to provide most of its aid as part of the IMF's program of free-market reforms for the worst affected Asian economies has won praise from the United States.

While Asian countries have generally welcomed China's aid as evidence of a more cooperative and responsible policy toward the region, what seems to have impressed them most is Beijing's evident determination not to follow the example of many other East Asian governments and devalue its currency.

Mr. Suharto specifically thanked Mr. Tang for this. By making Chinese exports more competitive, devaluation of the yuan would undermine the export industries of Asian countries hit hard by currency upheaval.

Mr. Tang also gave an assurance in Jakarta that Beijing regarded recent riots that targeted Indonesia's ethnic Chinese minority as an internal matter for Indonesia to handle.

"We always regard ethnic Chinese in Indonesia as Indonesian nationals and the issue relating to the ethnic Chinese as an internal affair of Indonesia," he said.

In the past, China's protective attitude toward the more than 20 million Chinese living in Southeast Asia, and its policy during the Cold War of supporting communist parties trying to overthrow Southeast Asian governments, fanned suspicions — especially in Indonesia — that it had ambitions to dominate the region.

More recently, such suspicions were heightened by Beijing's claims to ownership of the Spratly Islands in the South China Sea and its use of force to take over several islands. The islands are also claimed, in whole or part, by several ASEAN members — Vietnam, the Philippines, Malaysia and Brunei.

Gerald Segal, an Asia specialist at the International Institute for Strategic Studies in London, said Beijing's diplomacy since the financial crisis erupted in Asia in July was impressive.

"Certainly, the conventional wisdom is that China has had a good crisis and Japan has had a bad one," he said. "But that does not provide a final answer to the big question in everybody's mind: As China grows stronger, what kind of power will it be?"

## Ancient Rite On Ganges A Lodestar For Hindus

By John F. Burns  
New York Times Service

HARDWAR, India — The rushing gray-green waters of the Ganges were as chilly as they have been in years as A.K. Sharma stripped to his underwear, plunged into the shallow edge of India's holiest river and raised cupped handfuls of water toward the rising sun.

But Mr. Sharma, a 48-year-old engineer, was jubilant. After journeying 250 miles (400 kilometers) from his home in Agra, the city of the Taj Mahal, Mr. Sharma, his wife and two children joined millions of Hindu pilgrims who traveled to Hardwar from across India in the last three months to join in what is billed here as the world's highest religious festival.

After an exhausting day on chaotic roads and a night in a dusty tented camp, Mr. Sharma had timed his bathing well. As he made his way through the dense crowd of worshippers pressing toward the river on Tuesday, less than two hours remained to the most propitious moment of the most propitious day in the Hindu calendar, as determined by astrological calculations that underpin what is known here as the *kumbh mela*.

The mela, or festival, is a rotating rite that chroniclers say has been observed at Hardwar once every 12 years since the second millennium B.C.

As India rushes into the age of technology, launching communications satellites, developing nuclear weapons and enthusiastically embracing the Internet, the passion for the ancient rituals among the country's 700 million Hindus shows no sign of flagging.

The Hardwar mela is believed to have drawn the largest crowds ever to converge on this city in the lee of the Himalayan foothills. By some accounts as many as 10 million people have come since January. In 1989, a *kumbh mela* at Allahabad, on the lower reaches of the Ganges, drew as many as 30 million, according to some estimates.

The phenomenon has delighted many Indians, who yearn to guard their ancient traditions even as they seek to modernize what has been one of Asia's most creaky economies.

"Our technological know-how is



Hindus drying their clothes after a dip in the Ganges at the festival.

very well, but our ancestors were understanding things much better," Mr. Sharma said in English. Motioning toward the bubbling on both banks of the Ganges, and the dozens of brightly-bathed temples dotting the escarpment above the river, he added: "Something is there, something which I am not exactly knowing, something which is hidden; something which I may not be able to prove technically, but which I know to be there in my soul."

According to ancient Hindu scriptures, bathing at Hardwar at the time of the *kumbh mela*, or at Allahabad, Nasik and Ujjain, the other cities on the north Indian plain that host the mela at three-year intervals, is the supreme act of worship, worth 10 million dips in the Ganges and other holy rivers at other less propitious times.

Some Hindus believe that dipping at a *kumbh mela* will guarantee eternal salvation, a release from the cycle of birth, death and reincarnation. Others believe that the mela washes away all sins, cleanses the soul or earns the blessings of the Hindu deities for a coming marriage or business venture or for relief from physical afflictions.

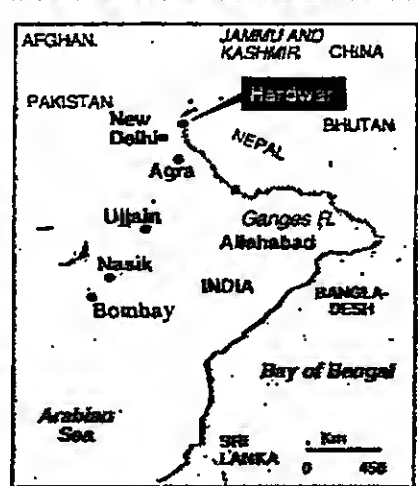
There were many pilgrims with disabilities here this week. One man in his 30s, paralyzed in both legs by polio, arrived at the most holy spot along the riverbank, known as the *brahmakund*, after dragging himself by his arms from a camp more than 15 kilometers away, a journey he said had taken him 20 hours.

The origin of the *kumbh mela* lies in a Hindu legend, involving a struggle between gods and demons for control of a *kumbha*, or clay pitcher, filled with the nectar of immortality churned from the bottom of the oceans. According to the legend, one of the gods seized the pitcher and circled the earth for 12 days — 12 years in earthly time — spilling drops of the nectar at four places on earth — the sites of the *kumbh mela* — and at eight places in the heavens.

According to early records, including an account in the 7th century A.D. by a Chinese traveler, Hsuan Tsang, the mela served from ancient times as grand gatherings of Hindu holy men, the *sadhus*, *swamis*, *sanyasis*, *gurus* and *yogis* of the time.

"When the stars were in a particular position, the *sadhus* simply followed the great rivers to their confluence and stayed there until others, from all directions, joined them," according to Rajesh Bedi, who wrote a 1991 book on the *sadhus*, itinerant holy men who renounce all worldly goods. "Then they discussed the state of the body politic, the economic condition of the people and philosophical and theological questions."

The ascetic *sadhus* still dominate the festivals, setting up vast encampments near the river where they pray, practice yoga, perform their rites, read from Hindu scriptures, chant mantras and hold discourses with the common pilgrims. For urban Hindus, in particular,



the *sadhus*, many of whom still live lives of renunciation in the forests and mountains or wander from village to village as mendicants, are a focus of profound fascination and respect.

Although India is instinctively entrepreneurial, Hindu beliefs have engendered an abiding respect for those who abjure the material world, exploiting this politically was part of the genius of Mohandas Gandhi, the independence leader, a barrister trained in London who led the struggle against British rule in the minimal accoutrements of the *sadhu*, with a cotton loincloth and a wooden staff.

These days, Indians who once followed Gandhi are as likely to be found at *mela* chanting the praises of near-naked *sadhus*, as the crowds did everywhere this week at Hardwar.

Men like Mr. Sharma, the engineer from Agra, and their wives lined the riverbanks Tuesday as more than 60,000 *sadhus*, organized into monastic orders called *akharas*, marched across pontoon bridges to the bathing ghats, terraced areas flanked by temples at the heart of the city. The crowds tossed garlands of marigolds and shouted "We bow to you, oh holy men!" "We kiss your feet!" and "Loog Live Lord Ram!"

The *sadhus* and their leaders, many of them carried to the ghats in gaily colored palanquins shaded from the sun by gold and crimson parasols, waved back regally.

## Students Place The Blame for 'All Disasters' On Suharto

Reuters

JAKARTA — Thousands of Indonesian students held campus protests Thursday against President Suharto, calling him the "cause of all disasters," and at least nine were injured in a clash with the police, witnesses said.

It was the second day of stepped-up protests blaming Mr. Suharto for the country's economic crisis.

In Surabaya, Indonesia's second-largest city, students staged a peaceful rally inside a university campus, where a poster was seen that read: "Suharto, The Cause Of All Disasters."

Students clashed with police officers in the city of Bandung when they were blocked from taking their protest to the streets. At least nine sustained head injuries and dozens were bruised, witnesses said.

Students have been holding protests since February, blaming crony capitalism centered around Mr. Suharto for the trouble. They have called for Mr. Suharto, 76, who was sworn in for a seventh five-year term in March, to resign.

The protests widened dramatically Wednesday when students took to the streets of Jakarta for the first time while simultaneous protests were held in three other cities.

Police were unusually restrained in dealing with the protests Wednesday, and the military announced new efforts to bring students and government ministers together for a dialogue.

The military said that the discussions, arranged by General Wiranto, the armed forces chief and defense minister, would take place Saturday in Jakarta.

But it was not immediately clear whether students involved in the protests would attend.

The Kompas paper said the talks Saturday would involve the economics minister, Ginandjar Kartasasmita, the minister for politics and security, General Feisal Tanjung, the interior minister, Raden Hartono, the trade and industry minister, Mohamad (Bob) Hasan and other members of the cabinet.

Mr. Suharto's eldest daughter, Siti Hardiyanti Rukmana, who is the minister for social welfare, would also be present, as would the federal chief of police and the chief of military intelligence, it said.

Student representatives would be decided by institutes of higher learning, university student councils and members of the academic community, the report said.

But most of those protesting in recent weeks have rejected offers of dialogue by the armed forces, saying they are too structured, the outcome pre-determined and ineffective in meeting their demands for change.

Some students have said they would only have a dialogue with Mr. Suharto. While talks to resolve Indonesia's mountain of private debt got off to a good start Wednesday in New York, traders said it would take a long time for any results. The talks are likely to continue through Friday, bankers have said.

## BRIEFLY

## 2 Koreas' Talks Remain Stalled

BEIJING — North and South Korean negotiators met Thursday in the Chinese capital but failed to find a way to restart stalled talks on aid to the North, a South Korean Embassy official said.

"The differences between the two sides were still too great and the meeting ended with no progress," the official said after heads of the two delegations met for almost two hours to try to break the stalemate.

"They agreed to try to meet again," the official said, adding that there was no schedule for the next attempt to restart talks. (Reuters)

## Malaysian Assaults Aid Groups on Haze

KUALA LUMPUR — A Malaysian cabinet minister lashed out Thursday at international aid organizations, saying they had failed to help Southeast Asian countries combat smog from forest and bush fires.

"So far we have not received or seen any NGO actively participating or to campaign to help or come up with more positive proposals on how to deal with the issue," the national Bernama news agency quoted Environment Minister Lim Hieng Ding as saying. NGO stands for nongovernmental organization.

Mr. Lim said that nongovernmental organizations had in the past complained about forest conservation efforts in the region but did not put forward ideas when the forests were in danger of being destroyed.

"Now," he said, "it's high time for them to come forward to play their role, especially in forest fires." (Reuters)

## Richardson Sets Afghanistan Visit

KABUL — The American envoy Bill Richardson will become the highest-ranking U.S. official to visit Afghanistan in more than two decades when he takes a "talk peace" message to its warring factions Friday.

Mr. Richardson, the chief U.S. delegate to the United Nations, is to meet top officials of the Taliban Islamic movement, which rules most of the country, and faction leaders bent on ending the movements' grip on power. (Reuters)

## Burma Shrugs Off Rights Accusation

BANGKOK — Burma's military rulers dismissed as a fabrication on Thursday an Amnesty International report detailing human rights abuses against ethnic Shan civilians, saying the rights organization was a "platform" for dissident groups. (Reuters)

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## EDITORIALS/OPINION

## Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Make Asylum Easier

No American tradition is more deeply rooted and valued than the standing offer of asylum for arrivals claiming to fear political persecution if sent back home. Here lies the value of a report by the Lawyers Committee for Human Rights on the first-year workings of the asylum provisions of the immigration law of 1996. In this law, Congress, acting on its fear of an unchecked flood of illegal immigrants, set up a regime of "expedited removal" or summary deportation, to bar asylum seekers found not to qualify.

The report, "Slamming 'The Golden Door,'" focuses on the bureaucratic hurdles facing those in flight. Decisions with potential life-or-death consequences are made by low-level officials with little expertise in sorting out the situations of people typically possessing faked or no papers. Initially, the applicants are denied access to legal assistance and processed in a matter of hours, sometimes on the basis of inadequate translations. They can be treated abusively. At the next hurdle, they must still convince an asylum officer and then perhaps an immigration

judge—again, sometimes in haste and without counsel—that their professed fear of persecution is credible.

It seems that the bulk of those caught up at American ports and airports are Mexicans trying to enter illegally. Only about 2 percent of the several tens of thousands so far subjected to expedited removal are actually asylum seekers, according to the Immigration and Naturalization Service. The service says there is no evidence that any of them was actually persecuted once home.

But the Lawyers Committee establishes that the statistical evidence is skimpy, expedited removal is not fully open to public view, and those caught up in it cannot be sure of fair treatment promised by tradition and law. These are shortcomings that the committee would correct by new legislation if possible, administratively if not.

In a world where the United States remains the harbor of hope, the chances that people qualified for asylum will be tossed back to an arbitrary regime must be brought down as close as possible to zero.

—THE WASHINGTON POST.

## Executing Children

Texas State Representative Jim Pitts has a modest proposal for addressing the problem of juvenile murders like the recent killings in Jonesboro, Arkansas. He announced recently that he would introduce a bill in the state legislature to make 11-year-olds eligible for a death sentence. If this sounds like a parody of the old maxim that bad cases make bad law, Mr. Pitts is apparently serious about it. "I realize this is a drastic step, but the kids that are growing up today aren't the 'Leave It to Beaver' kids I grew up with," he told the Dallas Morning News. Fortunately, his idea appears to have little chance of actually becoming law. Governor George W. Bush has announced his opposition to the plan.

Current law in the majority of the 38 death-penalty states, including Texas, permits the execution of convicts who were 16 or 17 at the time of their crimes. According to a forthcoming report from the National Coalition to Abolish the Death Penalty, there were 58 people on death row across the country last year for crimes committed when they were juveniles, and nine others have actually been executed since 1985. The Supreme Court concluded in 1988 "that such punishment

does not offend the Eighth Amendment's prohibition against cruel and unusual punishment." But the high court has suggested elsewhere that a death sentence for a 15-year-old is probably unconstitutional.

That, however, has not stopped some people from hoping to push the death eligibility age downward. If Mr. Pitts's idea sounds extreme, it is different mainly in degree from proposals supported by prominent mainstream politicians. The juvenile justice legislation being pushed by Senate Republicans this term originally contained language that would have lowered the boundary from 18 to 16. (They later removed the provision.) And Governor Pete Wilson of California suggested last year that he might support death eligibility for 14-year-olds.

Even if there were evidence that executing people for juvenile crimes made a difference in crime rates, the practice ought to be unacceptable. Although major changes in state or federal law now seem remote, the fact that some talk seriously about further lowering the death penalty age limit means that those who oppose the practice must take it seriously, too.

—THE WASHINGTON POST.

## An Airline Innovator

Robert Crandall of American Airlines, who is expected to retire next month, always believed that he knew exactly what was right for the airline industry, and never hesitated to challenge anyone who disagreed. But he also recognized, to the great benefit of his shareholders, when to junk nostrums that circumstances proved false. "Mr. Crandall knew that deregulation would be disastrous for his industry. But after the Carter administration withdrew the regulatory safety blanket, he brilliantly constructed a complex hub-and-spoke system that brought passengers the steeply lower fares and vastly better flight schedules economists had predicted."

He also knew that sophisticated mathematics could maximize profit by tailoring different prices to different types of passengers. But when that approach grew too complicated, he adopted a simplified system and challenged his competitors to go along with his good idea. When they refused, setting off a destructive price war, he quickly let it drop and returned to a complex fare structure.

Mr. Crandall demonstrated that competition was good for consumers. But when upstart airlines grabbed his customers, he devised frequent-flyer miles, an ingenious strategy that tied travelers to large airlines like American even when rivals were offering lower fares. He knew that code sharing—the practice by which two airlines would sell tickets on each other's connecting flights under the name of a single carrier—was misleading because it fooled customers into believing that they had booked a seamless flight. Yet when he looked around and saw his competitors pairing up, he pounced, proposing a vast code-sharing arrangement with British Airways. If approved, it will help lock in Amer-

ican's dominant position at London's coveted Heathrow Airport.

With his background in finance, Mr. Crandall taught his colleagues about the vulnerability of an industry saddled with mammoth fixed costs (an "unoccupied seat represents unrecoverable revenue but no reduction in costs), pilot strikes and other business hold-ups. When he announced his retirement on Wednesday, his airline boasted of record high profits and a management team ready to take over that would be the envy of other airlines. It was a precisely timed departure from a smart, combative leader and a nimble learner who left his mark on a turbulent sector of the American economy.

—THE NEW YORK TIMES.

Other Comment  
Citizenship Unlearned

A lot of Americans don't know what citizenship is anymore. What is it? It is the only bond that we all have with one another and with our nation.

As I looked at the countries collapsing [after the Cold War], I saw that the United States was partaking in some of the disintegrating forces: the death of an all-encompassing ideology or set of truths; deconstruction of the nation in the name of ambition and individual egos; breakdown of a language as a unifying element in society; minority groups insisting on their own separate laws; finally, mainstream society waiting too long to confront the situation.

Citizenship tests have been so dumbed down as to be simply a fraud. What are the colors of the flag? What is the capital of the nation?

—From "The Death of Citizenship," by George Anne Geyer, in the spring issue of *American Experiment Quarterly*.

## We Can Call It Convivencia, and Let's Work at It

By Flora Lewis

PARIS — France celebrated this week the 400th anniversary of the Edict of Nantes, Henry IV's proclamation accepting the right of Protestants to practice their faith and enjoy equal civic rights with the Catholic majority. It is considered the beginning of the idea of freedom of conscience, of putting the need for tolerant coexistence ahead of the urge to fight and repress.

The agreement signed in Northern Ireland represents the same aspiration. The notion of tolerance has advanced over the centuries, but still with monstrous regressions. There is a long way to go before the world can rely on it. The edict itself was revoked in 1685 by Louis XIV; that led to horrible massacres, war and the flight of many French Protestants to lands of asylum where their descendants still live. The revocation nourished the ferocious anti-clericalism of the French revolution, but it was not until 1905 that separation of church and state was legally established.

Again and again over those centuries, and still in today's and tomorrow's headlines, religious hatred, often merged with conflicts of ethnic identity, has claimed vast numbers of lives. It keeps welling up until the victims —

and all involved are victims one way or another — tire of the burden and accept that people have a right to be different without being damned.

Political will is required to advance that kind of social consensus. Ulster almost made it some 35 years ago when Britain and Ireland were preparing to join the European Community. The leaders in Dublin and Belfast were on good terms, so were the top religious leaders. The border between the Republic and the six counties was expected to lose practical meaning and emotional significance.

But then French President Charles de Gaulle vetoed Britain's application. The situation deteriorated, worsened by British Prime Minister Harold Wilson's maneuvering for domestic political advantage. By the time the two countries did join the Community, the "Troubles" were too far advanced for compromise to halt the violence.

Since then the Republic has flourished, the poor partner which has put European aid and trade advantages to the best use, and Northern Ireland's aging industries have declined. There is a new

chance for the people of Ulster to decide on live and let live, enhanced by the shift in American-Irish opinion, whose politicians have come around from support for the IRA to counsels of peace.

When an opportunity to resolve old, deep grievances is lost, it can take a long time and much distress before another one appears. That is the menace of the moribund Middle East "peace process." Collapse will not bring Palestinian resignation, as some Israeli nationalists like to think, but worse times before there is again a chance for settlement.

At present, there scarcely seems to be a chance for Kosovo, despite the attempt by major powers to bring negotiations. That region is on a down cycle into bitter conflict likely to afflict neighbors and aggravate the position of Muslims in European countries.

"Identity" can mean religion, language, culture or historic community; it is inevitably an increasing issue for abrasion as economic and technological partitions of the world crumble. People see clinging to each other in exclusive groups as a necessary defense against outsiders who would diminish them or expose them to harm. Historians point out that when Henry

IV dared to promulgate his edict, many people believed that tolerating the existence of "heretics" in the society was a stain that would provoke divine punishment. They felt that their aggressions were no more than their duty to themselves and to their God.

Tolerance is seldom an easy idea, but the more the world shrinks, people move about and mix and global forces sweep across boundaries, the more it is a necessity. The world will not stop being full of human differences, so it has to find ways to live more comfortably with its diversity.

It would be useful to introduce a new word for the goal, because tolerance does have some undertones of disdain and inferiority. The Spanish word *convivencia* means much more than the literal translation of "living together." It suggests harmonious cooperation, nonetheless respectful of separate identities. It evokes the Golden Age of the Moors in Spain, when Muslims, Christians and Jews created a brilliant, productive society.

Despite the setbacks, the anniversary of the Edict of Nantes is a reminder that people can get along if they wish, and that *convivencia* is fruitful.

Flora Lewis

## This Idea-Shorn World Needs a Post-Cold War Keynes

By Karel van Wolferen

AMSTERDAM — Some good might come out of the Asian financial crisis.

The benefits, if they materialize, will not undo the human misery already suffered, the millions of job losses still to come, and the political upheaval that is bound to follow economic dislocation in some of the crisis countries.

But the crisis could inspire minds in the Western world, to a point where thought is devoted to a project of building an international system that prevents much more misery, upheaval and dislocation — something comparable to what John Maynard Keynes conceived to the post-World War II world at the Bretton Woods conference of 1944.

Talking with bankers, policymakers, assorted specialists and others who attend academic conferences, one may pick up hints of a dawning awareness that the crisis has deeper causes than they had thought. Received wisdom, shaped by IMF rescuers and indignant commentary about huge Asian mismanagement and corruption, is no longer acceptable to them.

What may well become the most important lesson from this experience is that there exists no adequate terminology for discussing momentous economic events in the post-Cold War world. Hence, the institutions relied upon to monitor

the situation and to rush in for repairs lack the intellectual wherewithal to do either.

Ideas and institutions go together. You cannot have a stable approach to the world, enhancing chances for a desirable international political/economic order, if you work only with recycled ideas from a world no longer in existence. And one of the most striking characteristics of politics since the Cold War international system came to an end has been the incredible dearth of ideas.

Terminology perfectly adequate to what has been most important in any historical epoch may never have existed, but there have been approximations. Today we do not have a communal handrail to grab hold of when intellectual speculation about what is happening to the world becomes dizzying. The frayed but reasonably sturdy rope that substituted for a handrail during the fairly long Cold War period is gone.

No longer does a continuous general discourse connect what is important in world events with a collective imagination, sorting out the significant from the trivial and, most importantly, evolving a language that enables sensible discourse.

Notions like the "end of history" and the "clash of civilizations" illustrate what we

are missing. Inspired by a peculiarly parochial American view of the world, which tends to be ahistorical and lacks experience of other civilizations, they have no boundaries of meaning to make them useful.

This is not to say that these now famous ideas of Francis Fukuyama and Samuel Huntington are not interesting enough to think out loud, and to contemplate for a moment or two; brainstorms frequently spawn original thought. What is special and disturbing about them is that they have become famous.

Utterly useless for practical purposes, they are, if anything, dangerous as possible philosophical cores around which to organize thought about our post-Cold War situation. They indicate to what extent newspapers and serious magazines are guided by entertainment industry precepts.

In a comparable instance, one wonders how much thought is expended behind editorial desks dealing with economic affairs, as one reads reference to "crony capitalism," shorthand for what is wrong with the Asian tiger economies.

When first used to label the kleptocracy that President Ferdinand Marcos of the Philippines had created for staying in power, it was an apt descrip-

tion. As a label for what is wrong with the Asian tigers, it displays a profound ignorance and is yet another manifestation of the conceptual poverty afflicting post-Cold War political discourse.

But the bankers and academics who are now beginning to recognize such misconceptions will have a hard time igniting political enthusiasm for a global policy overhaul in the absence of a well-grounded political debate on substantive issues among common citizens.

Assertions that this is due to the stupidity of the masses, the logical result of true democracy, are too simple and more than a little condescending. Common people should not be blamed for a deficiency most obviously present among elites.

The elite of the same great power that saved political civilization two or three times in this century (something for which a European like myself can only be forever grateful) has not even begun to think about a workable order to replace the Cold War international system.

Secretary of State Madeleine Albright may say that the United States stands tall and can look farther than other countries, but that is only bragging.

And the United States does nothing of the sort. It wants to spread technocratic management for an unfettered inter-

national market system in the naive belief, now frequently disproven, that this helps the cause of democracy. It is averting eyes from an abundance of relevant signs of disaster in Russia as well as in East Asia. Imagine Churchill or Roosevelt or Adenauer saying that they have trouble with something called "the vision thing," which was so upsetting to George Bush.

A leader with political wisdom does not make his citizens feel comfortable with their own prejudices, a fundamental condition for Ronald Reagan's popularity.

And it is abundantly clear that the incumbent — the first post-Cold War president — is guided by calculations that produce foreign policy moves least controversial in his own country.

European statesmen, with scope and political wisdom have become extinct, or so it seems. The comfortable guarantees of the Cold War international system, and accompanying trans-Atlantic dependence, have dragged any commonly shared European-type global political consciousness into oblivion.

Only Germany's Helmut Kohl is animated by a huge urge, perhaps an obsession, to integrate his country into a Europe that with a common currency will tie his fellow Germans forever to a larger political unit. The motive force behind this, national self-distress, ought to disturb European neighbors, but amazingly does not. That is also a sign of the dearth of ideas.

Ideas matter hugely. In certain circumstances they become wildly contagious and can spread either blessings or ill-fortune in a very short time.

Shocks make politicians and populations receptive to ideas. Two sets of ideas have begun to form through the current shocks in East Asia.

One, spreading through the region itself, is inspired by imagery of economic plunder and Western capitalist conspiracy. The other, in the heads of those who do not thoughtlessly reel off the litany of deregulation, the discipline of the market and the healing powers of laissez-faire, is that we have arrived at a point where rethinking the international economic order is the only responsible option.

The big question is which set of ideas will dominate in the shaping of world politics this year and for years to come.

Poor countries cannot wait until they get richer to worry about the "luxury" of a cleaner environment. It is often far cheaper to avoid environmental damage today than to fix the problems tomorrow. In some cases, like the destruction of tropical rainforests, the damage may be irreversible.

Never before has there been a greater consensus — among developing countries and the donor community — on a set of goals for development. The experience of the last decades shows that these goals are eminently attainable.

The key is putting into place more effective policies and the international donor support to sustain them. Only then will the rewards of higher economic growth pay off for hundreds of millions of people around the world whose lives continue to be highlighted by poverty.

The writer is chief economist and senior vice president of the World Bank. He contributed this comment to the *International Herald Tribune*.

The writer is an author and a professor at the University of Amsterdam. This comment was distributed by the *New York Times Syndicate*.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1898: Cuban Republic

NEW YORK — The Senate tonight [April 16] determined that the Government of the United States hereby recognizes the Republic of Cuba as the true and lawful Government of that island. A resolution also demanded that Spain at once withdraw her land and naval forces from Cuba and Cuban waters.

## 1923: Angel Picture

LONDON — Miss Estelle Stead, daughter of the late W. T. Stead, informed a reporter of The New York Herald that her "guide and guardian angel," a picture of which Sir Arthur Conan Doyle showed to a New York audience last night [April 16], appeared in her own home during Easter week and was photographed by Mrs. Deane, the London spirit photographer who also took the famous photographs at the Cenotaph here dur-

ing the Armistice silence, when spirit faces were said to have been found on the negatives.

## 1948: Red Vote Fraud

ROME — Italy's Minister of the Interior, Mario Scelba, said that this country's anti-Communist government was ready to call off the elections if it decided that too great a "fraud" had been committed by the Communists. Mr. Scelba said that in the Communist-run city of Genoa, three Russians on the staff of the Soviet Consulate were given ballots. Thirty thousand ballots in that city were misdirected, he said. He added that the Communist mayor of Genoa was found guilty of taking part in a plot to keep ballots from 700 persons suspected of being non-Communists. "We won't let this election be stolen," Mr. Scelba, a member of Italy's Catholic party, told a throng of 50,000.

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## OPINION/LETTERS

## Putting Korea Together Again

By Don Oberdorfer

SEOUL — In many respects, Kim Dae Jung, 74, has the most difficult job since South Korea's founding president, Syngman Rhee, led the country through its birth pangs and the Korean War in the 1950s.

Due to the financial crisis that struck in November, Mr. Kim must engineer extensive changes in the economic system that had been a remarkably successful engine of growth. Amid a painful recession, he must fulfill the requirements of the global economy and the strictures of the IMF.

Even more daunting, he is trying to change the mind-set of South Koreans toward the world outside and especially toward North Korea. In a decisive turn, he has put aside South Korea's traditional aspirations for supremacy plus unification, and has set out to coexist with the fierce but failing North Korean regime.

This policy shift has important consequences for the United States, which maintains 37,000 troops on the Korean Peninsula to preserve the fragile peace.

Mr. Kim seemed serenely confident, in a recent meeting with me, that North Korea would validate and advance his policies by pursuing North-South dialogue and engagement, which it has shunned for most of this decade.

His hopes were given a boost more quickly than almost anyone expected, when North Korea agreed last week to start official talks with the South for the first time in four years.

Nonetheless, the record of the North Korean regime, including its hard-line behavior at just completed four-party talks in Geneva, makes Mr. Kim's "sunshine" diplomacy a risky bet.

His initiative might not have been widely accepted by the South Korean people six months ago. But the South's economic disaster and its inability to face the huge undertaking of unifying the peninsula by absorbing its poor cousins to the north. Because of the much wider disparity involved, this task would be several times as difficult and expensive as that faced by West Germany in absorbing East Germany.

His government has begun lifting restrictions on the flow of gifts, goods and investments from South to North. It is lifting restrictions on travel to the North, seeking to develop people-to-people contacts ranging from reconciliation of divided families to joint tourist activities, and encour-

aging fund-raising activities in the South to provide aid.

Plans have been announced to lift the long-standing ban on listening to North Korean radio and television, and eventually to eliminate the ban on North Korean written propaganda.

Mr. Kim's steps are deliberately low-key, but they add up to a reversal of the attitudes and operations of the predecessor government of his longtime rival, Kim Young Sam.

In a more traditional mode, the new president has also set forth a warning: "We will never tolerate armed provocation of any kind."

I have known all of South Korea's presidents since Syngman Rhee, and most of its senior politicians since I began covering Northeast Asia for The Washington Post in 1972. Of them all, Kim Dae Jung has had the clearest and best articulated ideas on where he wanted to lead the country and especially on North-South issues.

He was falsely accused of Communist leanings by his political opposition in each of his four campaigns for the presidency, but he never gave up his desire to engage the North.

His opposition to authoritarian rule and the fears that his populism evoked in South Korea's past military rulers led to his kidnapping from Japan by South Korean secret police, six years of imprisonment on trumped-up charges, a death sentence for sedition (commuted under pressure from Washington) and eight years of house arrest or forced exile.

Most recently, in a currently unfolding scandal, former leaders of the country's intelligence agency have been accused by prosecutors of agreeing to pay \$250,000 to a U.S.-based Korean businessman to falsify evidence with North Korea.

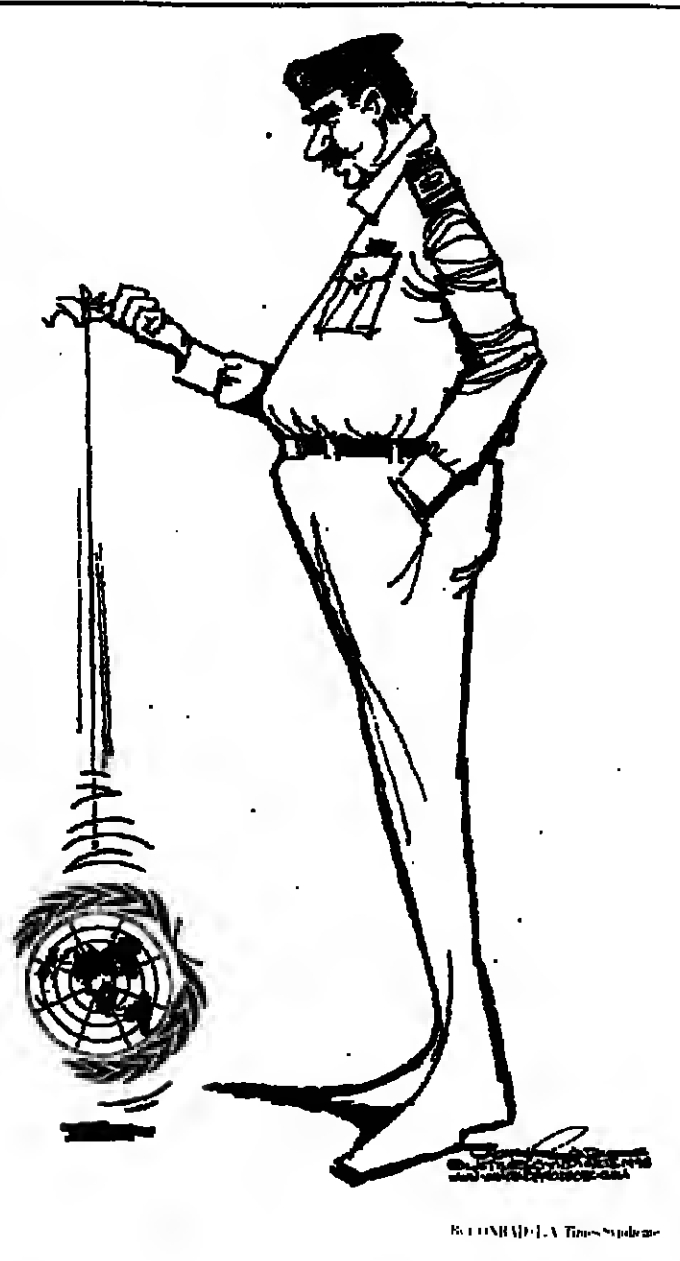
The North-South intrigue that has swirled about Mr. Kim has made him leery of clandestine contacts. North Korea sent signals to him during the postelection transition that it would look favorably on a "personal" channel for secret dealings. He told me he rejected such entreaties.

The United States should support Mr. Kim's policy by taking parallel steps, in close consultation with Seoul, to lift some of its economic sanctions against North Korea. His efforts have a greater possibility of succeeding if they are backed by his powerful ally.

Washington should also encourage South Korea to take the lead in North-South affairs.

U.S. Ambassador Stephen Bosworth is telling Koreans in symbolic but unmistakable terms that a change is in the making: "We are both in the front seat of the car, and it is probably time for you to take the wheel for a while." Let Koreans feel benefit of continuing U.S. support, he adds. "We'll be sitting right beside you."

The writer is a journalist-in-residence at the Foreign Policy Institute of Johns Hopkins University's Paul H. Nitze School of Advanced International Studies, and author of "The Two Koreas: A Contemporary History." He contributed this column to The Washington Post.



## Shop, Sulk, Throw a Fit: Guys at Work Go Girlie

By Maureen Dowd

NEW YORK — It was a perilous time to be a girl, when I first started in journalism. You were supposed to look and behave as much like men as possible.

Dress-for-success oavy blue suits and floppy ties were in vogue. Any display of "female behavior" — moody, high-strung, weepy, cutesy — was frowned on, as was chatter about boyfriends or babies or clothes.

Once, at my newspaper, a cub reporter named Susan fell into disfavor for spending too much time jabbering about shoe shopping. So I know we have made progress when I watch the television character Ally McBeal stand on her desk and try on jeans so her co-workers can help her decide if they are snug enough for a date.

Poor Ally has been cuffed around plenty for being a bad feminist icon. The fictional 28-year-old, Harvard-trained Boston lawyer has been dismissed as a childlike vixen, a male fantasy of a liberated woman.

It is hard to imagine any real office being as oocuous-friedly or funny as Ally's law firm. With skirts that stop just below the waist, the screwball litigator treats her profession as a ladder for her social life. She's an updated version of those '50s heroines from Wellesley and Vassar who wore gloves and hats and got low-level jobs in publishing until they could snag a man in a gray flannel suit and a white picket fence.

Ally, played by Calista Flockhart, is awfully flirty, even for a culture that has relaxed enough to call women "girls" again. But she has a point: Women have always had a healthier attitude about the relative importance of work and personal life. Ally's philosophy is really no different from that of Margo Channing in Joseph Mankiewicz's 1950 classic film, "All About Eve."

"Funny business, a woman's career," mused Bette Davis, playing the high-spirited actress Margo. "The things you drop on your way up the ladder so you can move faster, you forget you'll need them again when you get

back to being a woman. It's one career all females have in common, whether we like it or not. Sooner or later, we've got to work at it, no matter how many other careers we've had or wanted."

And in the last analysis, nothing's any good unless you can look up just before dinner or turn around in bed and there he is. Without that, you're not a woman.

Ally's critics miss the point that what is cutting-edge about the show is not Ally. The most potent symbol is the unisex bathroom, where all the male lawyers act out their neuroses.

The most remarkable post-feminist trend in America is not about women. It is about men. The idea that women should mimic men is now dead. The boutiques that sold those mannish wardrobes for women have gone off of business. Now men mimic women.

Men were afraid at first that the women who had invaded the workplace would run around the office acting dithery and manipulative. But while women were suppressing their feminine wiles, men were usurping those wiles. Men soon began turning traditional female modes of behavior into macho strategies to get ahead.

While women were misguidedly imitating men, men were poaching the competitive tactics that women had honed at home through the centuries.

Now that it is smart office politics to share tender feelings, I see male colleagues sulking and throwing hissy fits to get their way.

Now that it is smart office politics to be a sensitive family man, I see male colleagues insisting on taking more time off to spend with their wives and babies. Now that men are supposed to bond with each other over more than golf, I see the little dears openly discussing their messy love lives at the office.

Now that it is chic for men to confess their vulnerabilities, I see male colleagues deciding where to sit in the office according to whether the light is sufficient to prevent seasonal affective disorder.

And yes, they talk about shopping. Even for shoes.

The New York Times

## LETTERS TO THE EDITOR

## Civilized Japan

Regarding "Is Japan Too Civilized for the '90s?" (April 13):

The author seems to think that the answer to the headline's question is "yes."

He notes that the traditional Japanese mother wants her child "to grow up so as not to be a nuisance to other people." This seems to worry him, and he argues that Japan "needs an infusion of economic ruthlessness, a dose of the law of the jungle."

However, all is not lost, as Japan is now "trying to become nastier."

Leaving aside those interna-

tional businesses in competition with the Japanese that may doubt whether more economic ruthlessness is needed, millions of people still alive remember all too clearly a time when the Japanese were indeed a nuisance to other people.

Let us go slowly in pushing the Japanese to be more aggressive. The gods may go so unkind as to give us what we ask for.

JOHN RAY

Fontenay-Trésigny, France.

The article did not mention the possibility of a middle way between, or a combination of, the American and Japanese ways of

life. A mixture of Japan's polite, civil and group-oriented society and America's ambitious, rambunctious and individual-oriented society is both desirable and possible.

I believe that a mix of both lifestyles is important and necessary to achieve long-term happiness and peace within a society.

But if I had to choose one over the other, I would prefer that children be polite, civilized, nonviolent and happy than rude, violent, egotistical and unhappy. Just think of the violent acts committed by children in the United States in the last few weeks.

I believe that the West has much to learn from Asia, and from Japan in particular.

Asian societies are indeed adopting positive elements of the "American way," but are we Westerners learning from Asia? Or do we believe that the Western way is the best and only way?

The question is not about the short-term interests and happiness of individuals or groups within a system, but about the long-term interests and happiness of the society and the individuals within it.

RAMIN KAWEL  
London.

## BOOKS

## MAKING HISTORY

By Stephen Fry. 380 pages. \$24. Random House

Reviewed by Carolyn See

I MUST admit that when I pulled this book out of its mailing envelope, my heart gave a few extra bleats and very uneven thuds. In the spirit of disclosure, I must also say that I thought I'd written the novel "Making History" just a few years back. It was pretty good, too. Got good reviews, was optioned for the movies, all that. But here comes another novel, bright as you please, set up for good reviews, probably going to be optioned for the movies. It sure teaches me a lesson, doesn't it? There's every kind of foolish hope and dream and vanity possible around the idea of "making history."

Graduate student Michael Young is really young, so young his nickname is Pup. He's reading history at Cambridge, and he's a bit of a genius, crammed with facts, packed with eagerness and peppy self-love. He's just completed his dissertation on the early life of Adolf Hitler. In a bright, idiot-savant sort of way, he's been exploring the roots of evil. Maybe Hitler "happened" because Hitler's mother was abused by her husband or, maybe, oh, it doesn't matter. His dissertation is finished!

He's living in that wiggly moment between being a student and becoming — he doesn't know quite what. Michael's personal life only rates a C-plus; his girlfriend, a genealogist, is tedious, condescending and thinks he's a bit of a dope. He, on the other hand, feels that working in science is a fairly inferior way to spend time. No matter how you dice those human cells, they're not going to yield up either the nature of evil or the way to eradicate it.

By the time we know this much, we've already seen flashbacks of Klara and

Alois, Adolf's wretched parents, and seen Adolf as a youth. Michael Young has already met the elderly physicist Leo Zuckermann, who teaches at Cambridge, tinkers with a time machine of his own invention and obsesses bitterly about his own father's unspeakable medical career at Auschwitz. How can good and seotest human beings ever begin to imagine or integrate the facts of such dreadful wickedness? If only there were a way to blot out the Nazi past, change it, change the contours of our recent history!

Stephen Fry has an absolutely wonderful time with this idea. He's a lot like Michael Young himself here. As an author, Fry is frisky, barking, jumping, trying out this and that. He seeds Michael and Professor Zuckermann back in time to make sure Hitler never gets born. (Whew! That ought to take care of things. Talk about making history!) Then, by reason of this not-too-well-thought-out good deed, Michael finds himself in a parallel Hitler-less universe at Princeton University, traditionally a haven for 20th-century European intellectual émigrés. Good grief. What obtains here?

Again, like his hero, the author bursts with exuberance and off-the-cuff learning. He knows, for starters, lots about academic life. He throws in a digression about passing exams by mentioning "the newly emergent middle class" (since every society is bound to have a newly emergent middle class), which echoes Christopher Isherwood's tale in "Lions and Shadows" of passing an exam by referring repeatedly to "the mooch." Since every period in England is bound to have one of those, too. But Fry also knows bell's own amount about Hitler's early life and how he spent time in the trenches in World War I. He knows plenty about the beginnings of the Nazi Party, the economic privations that sent Germany into a collective seething rage, and the pervasive anti-Semitism

that swirled through most of Europe at that time. If Hitler hadn't existed, would that fact alone have changed the course of history?

This is a "what-if" book, and Fry blithely about with the concept, kicks it about like a Nerf ball. He's too smart (and a little too goofy?) to let himself get trapped in a linear plot. At some level, Hitler's last thing on his mind.

Fry's interested in the idea of evil and certainly in the idea of individual freedom, but he also uses great chunks of the narrative to zoom off on tangents: What's this history thing? Maybe it's just anecdotes. Michael Young hypothesizes and braids out a string of berserk stories for his own amusement. Maybe history is what you find in encyclopedias, and the author throws in three or four pages of that kind of material. No, maybe it's memorized facts! Michael spouts some. Or, oo, maybe history is just a string of catchwords from soaps and commercials and God knows what all. Michael gives us some of that, too.

Or maybe, in the last analysis, history turns out to be like when you say, I used to be in love with Jocko, but he's history. Maybe history is what we should, after all that effort, endeavor to forget. Maybe history is just the irretrievable past. Maybe despite all solemn warnings to the contrary, history is useless to us in the larger sense.

"Making History," or in the case of this bright, engaging, learned novel, re-making history, is a peculiarly human folly. It's not what women and men should be doing at all, perhaps. The real point to life is something far better and a lot more fun. To find out, read "Making History." Read both of them — why not? As far as I'm concerned, they're both terrific.

Carolyn See reviews books regularly for The Washington Post.

## BRIDGE

By Alan Truscott

When two already married people run off together, there are two left on the sidelines, and it happens in bridge also. The victory of Paul Soloway of Mill Creek, Washington, and Bob Goldman of Highland Village, Texas, in the Vanderbilt Knockout Teams in Reno was the swan song of a great professional partnership. In the last two decades they have won a string of national and world titles, but this is apparently the end of the road for them at national level.

Nick Nickell of Manhattan made Soloway an offer he could not refuse, and in the future he will play for the Nickell team with Bob Ham-

man. That leaves Goldman unattached, although the partnership will remain active in lesser events and in the next trials to select a world championship team.

The Richard Schwartz team seemed to be coasting to victory in the final, but there was some excitement at the finish. The margin was down to 25 imps with four deals remaining, and there were two chances for the opposing Jim Payne team.

One was on the diagramed deal, on which both teams arrived in six spades doubled. After the auction shown, David Berkowitz, for the Payne team, received a heart lead, which he ruffed. He led a diamond to the king and ace, and Martel made a good shift to a club, forcing the dummy

before the diamonds could be established.

South cashed the diamond queen and ruffed a diamond with the spade ten. He would have escaped for down one if Stansby, West, had overruffed, but he cleverly discarded. Now all Berkowitz could do was to cash the spade ace, ruff a club, and discard a club on a diamond. West ruffed and the result was down two.

The Payne team gained 5 imps when the same contract failed by three tricks, somewhat mysteriously, in the replay.

But the gain could have been greater. Instead of the normal six-spade bid, an inspired Lightner double would have induced South to lead a club. Theo a ruff and a spade return would have allowed

another ruff and a penalty of 500. But it would not have changed the result: Schwartz won by 20 imps.

NORTH (D)			
♠ J 2			
♥ 10 7			
♦ K 7 5 3 2			
♣ —			
WEST			
♠ K 7			
♥ J 8 5 2			
♦ 6 4			
♣ A 10 9 8 2			
EAST			
♠ 6			
♥ A K Q 9 4 3			
♦ A 10 8			
♣ K Q J			
SOUTH			
♠ A 10 9 8 5 4 3			
♥ —			
♦ 9			
♣ 8 7 5 4 3			
East and West were vulnerable.			
The bidding:			
North	East	South	West
3 ♠	Pass	4 ♠	5 ♠
6 ♠	Pass	Pass	5 ♠
Pass	Pass	Pass	Pass

West led the heart two.

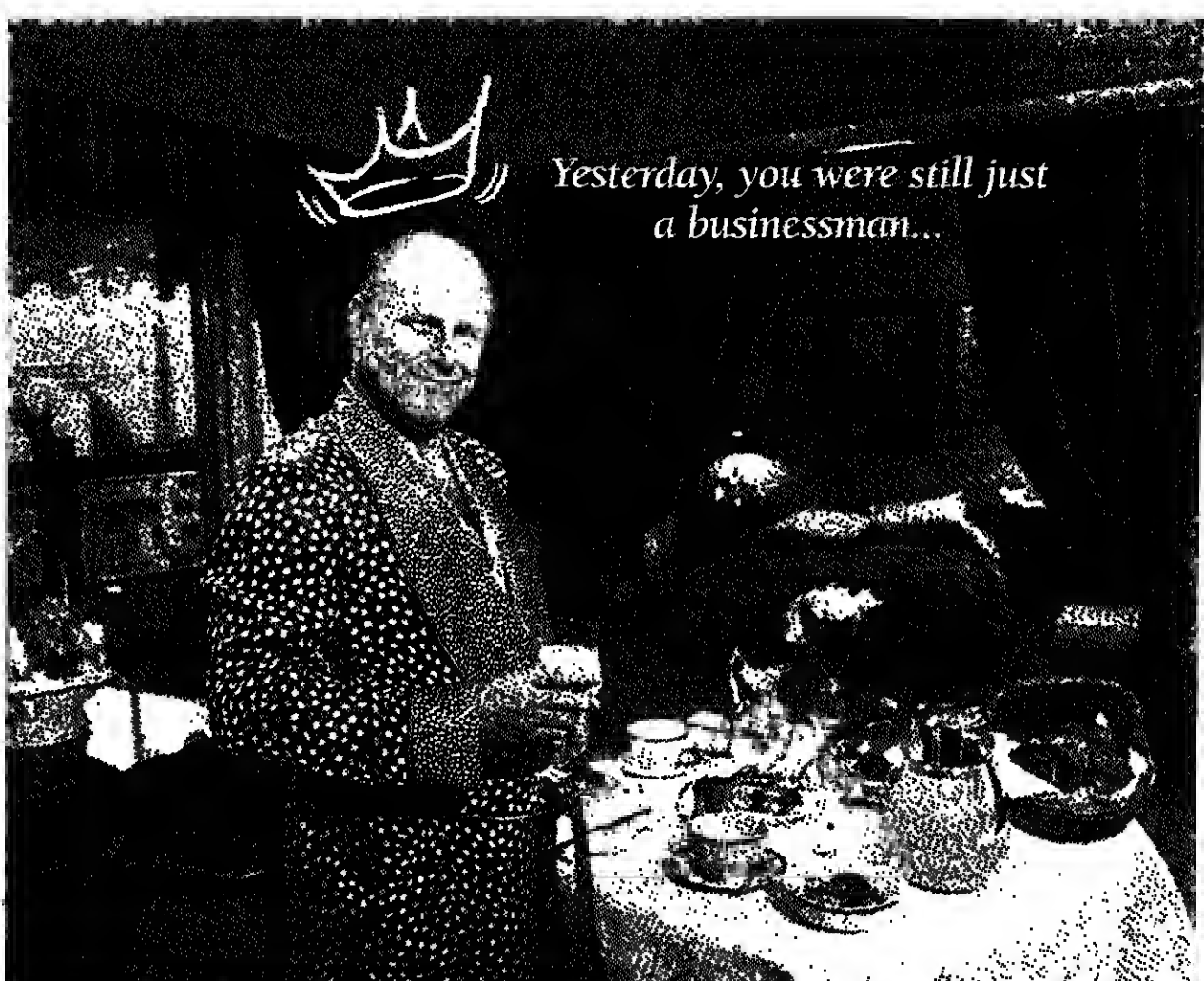


Photo taken at the Warwick Champs Elysees, Paris.

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# Leisure

PAGE 10

## Roaming the Centuries in Sicily and Its Wild Islands



### Beaches, Ruins and Hot Springs Beckon Travelers to the Aeolians

By Artie Traum

**P**ALERMO, Sicily — This city sizzles in August. When the air moves it fans out slowly, like heat from a pizza oven. Sicily is surprisingly close to the sands of Tunisia, and the sun is almost African. It sings whatever it touches. So it is not surprising that in August Sicilians happily join the general European exodus to the beach. The fishing village and resort of Moodele ocar Palermo grows thick with bathers, who spread elbow to elbow along the beach and cram into tiny cabanas. Along the northern coast, towns like Cefalu, Capo D'Orlando and the cliff-ringed Capo San Vito offer less crowded beaches, with a few tourists wandering around, dazed or lost.

The farther from Palermo, the cleaner the water, the better the beaches, the more rustic the scenery. My Sicilian friend Fabio Lannino told me tales of the Aeolian Islands, a volcanic archipelago that pops up around Sicily like the spiny tail of an enormous lizard.

We vowed to get out of town as soon as possible, by ferry or *aliscafo*, hydrofoil, to visit the islands where Odysseus sailed centuries ago.

I was in Palermo to perform jazz and it would be five days until my next performance, in Capo D'Orlando, two hours by train. So my wife, Beverly, and I decided to join friends on a tour to the major islands of the Aeolian chain.

After sunrise, we headed to the docks on the Bay of Palermo. The water was smooth, a milky blue color. An *aliscafo* waited and a large white ferry was anchored at the end of the dock. We looked at the hydrofoil schedule posted on the wall. There were several trips a day, each one with a different route stopping at various islands: Filicudi, Alicudi, Stromboli, Salina, Vulcano, Panarea and Lipari. Ferries also arrived hourly from Calabria and other mainland ports. But because the ferries moved at a snail's pace and we had limited time, taking the *aliscafo* was clearly our best option.

As we eased out of the harbor, we could see how the city was ringed by rugged mountains and cliffs that hang above the sea. The expanse of the Tyrrhenian Sea lay ahead, filling the oceanic gap between Sicily and Calabria.

The ocean stayed calm, a glassy sheet of water sliced by the *aliscafo*. After what felt like a very long time, an island appeared, floating in the middle of the gray-green water. We gazed at its rocky shores. Stone walls from the shoreline wound around the island to the top of a single mountain. This was Alicudi, a remote island with few residents and a dozen or so bed-and-breakfast hotels scattered in the hills. Its cousin, Filicudi, appeared a short while later, a bit more developed, and just as jagged and imposing.

We grew quiet as we sailed past Alicudi, which glowed in the light like a green pearl. Just before noon we landed at the busy docks of Lipari, the hub of the Aeolians, a bustling island swarming with tourists, mostly Italian, who vacation here under a vast mountain range. Teenagers with dyed blond hair rode green Vespa through the market. Old fishermen repaired nets.

Above us, the fortress walls of the 17th-century Castello di Lipari, as well as the Acropolis and the severely named Church of Purgatory, with its domed cathedral, guarded the harbor as they had for ages. Archaeologists have found items from prehistoric tribes who gathered here in the Aeolian Neolithic period, ancient Greek and Roman remains and more recent Norman battlements from the 12th century. This created a kind of architectural stone soup that defines much of Sicily and the islands.

We visited the Aeolian Archaeological Museum, a short uphill walk from the harbor on the Via Castellana, to look at a terrific collection of Greek vases, pots salvaged from the ocean and dozens of ancient sarcophagi.

"Do you need a place to stay?" a man in a straw hat and sunglasses asked as we wandered toward town. We breezed

past him and headed for a café. We asked the waiter if he could recommend a place to stay. He pointed to the man we had passed. "I can take you to a beautiful hotel," he said. "It's cheap and clean and you can see the ocean."

Indeed, it was all true. Our hotel, Enzo Il Negro, on the Via Garibaldi, one of Lipari's main streets, was spotless, with potted plants leading up a series of tiled staircases to our rooms. A double room cost about \$75 a night, including continental breakfast.

#### ON THE PROWL

The next day, we went in search of the hot springs that are ubiquitous throughout the Aeolians; they are said to have cured thousands with a steamy brew of salt, sulfites, bicarbonates, sodium and natural radiation.

That evening we sipped Limoncello — a liqueur made from lemons — and watched yachts idle in the harbor. The area turned into a giant party at about 11 P.M. Teenagers in groups raced chattering from one spot to the next. Tourists gazed at clothing, fancy bottles of grappa and gold jewelry in boutiques.

The following day we took an *aliscafo* toward Vulcano, which, in addition to its hot springs and mud baths (reputed to help heal all manner of illnesses), is known for its active volcano, Gran Cratere. But the overbearing egg smell of sulfur kept us from going ashore when the hydrofoil stopped. We were glad to simply head for Panarea, the sweeter-smelling island down the chain.

Panarea is the jewel of the Aeolians. We were struck by the Greek-style whitewashed houses, steep stone walkways crowded with climbing pink bougainvillea and the ever-present smell of jasmine. Small cafés dot the harbor. Walls of chipped pink plaster and faded blue paint face the waterfront, yielding to alleyways and winding streets. Stone walls hold gardens full of old olive trees, flowering purple eggplant and tomatoes — endless bright red tomatoes.

Although Panarea has a reputation for being expensive, we found the charming, reasonably priced Hotel Tesoriero, a five-minute walk from the harbor. Panarean hotels and restaurants are family-run and have a very relaxed island ambience. It's not unusual to find a mother and daughter chatting in the kitchen, chopping vegetables or preparing fish for the evening meal.

For all the sunshine, pristine ocean and beauty, we shared the uneasy feeling that anything could happen in the Aeolians. This long-suffering part of the planet has been torn apart by famine, invaders, earthquakes, disease and volcanic eruptions since the time of Homer.

The heat was getting to us, so we looked for a quiet cove to take a quick ocean dip, then stowed our gear and took a three-wheeler to the far side of the island, to walk the ruins of a prehistoric town on Capo Milazzese, a rugged cliff that overlooks an inlet called Cala Junca. This is one of the oldest archaeological sites in the Mediterranean, the remains of circular huts from a small village that dates to about 1600 B.C.

**A REMARKABLE CHURCH** It was a remarkable site, holy, a church of air and water. By the time we reached the excavation we were in a deep sweat. We had crossed a rocky swimming beach, climbed a steep incline to the top of the hill and wandered through the ruins in the midday sun. I was extremely thirsty and found a vendor selling water and fresh fruit.

Lunch was sublime. We came upon La Spiaggina, a tiny outdoor café in Calata degli Zimmari, the only place to eat on the beach just outside the Capo Milazzese area, with the feel of a family restaurant. Clusters of tomatoes hung from rafters, drying in the sun. We ordered *insalata di Panarea*, which was literally picked from these hills: boiled potatoes, capers, baby lettuce, ripe tomatoes, basil, thyme, oregano, salty and succulent black and purple olives and various herbs we'd never tasted



The bustling harbor of Lipari, the hub of the Aeolians, is guarded still by the town's Church of Purgatory, top right. A street scene in Erice, above, an ancient town perched 1,873 feet above the Mediterranean.

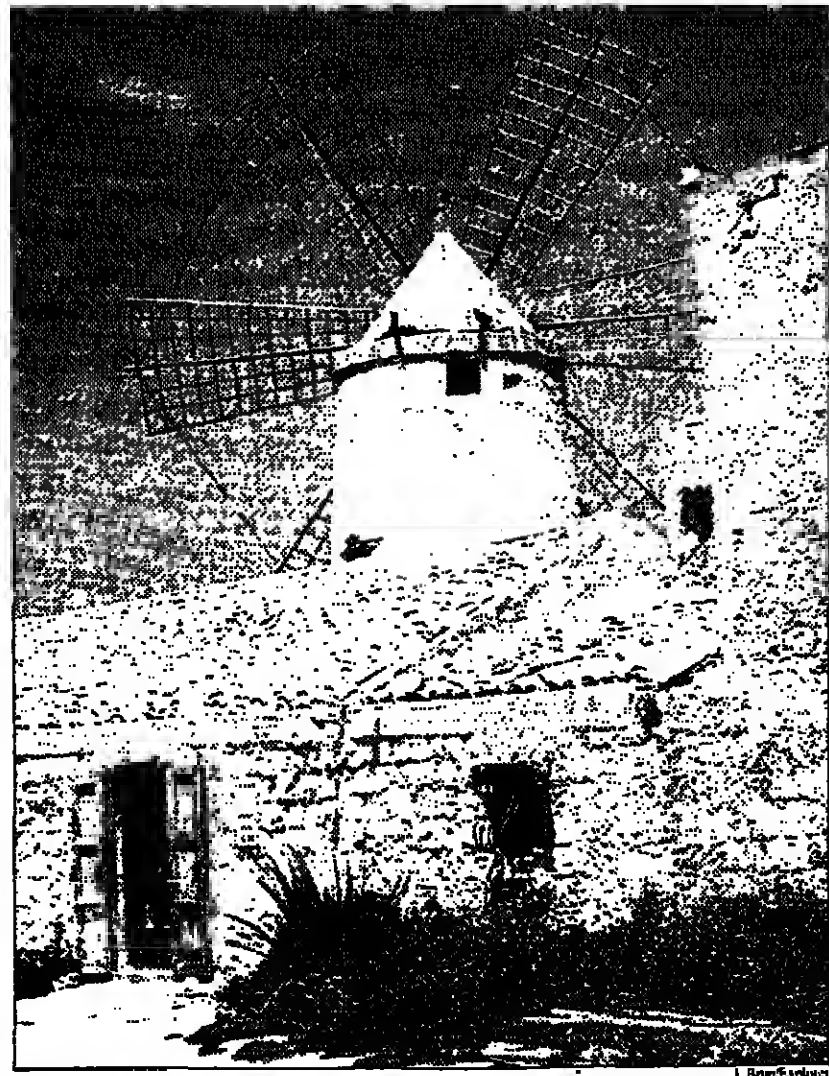
before — all for about \$7.50 a person. Just before sunset, as we were wandering in town along the rocky beach near the harbor, an old man motioned us over. He pointed to his ears and shook his head. He couldn't hear. Still, he waved us on and smiled broadly.

He led us never took the color of dolphins' fins and just as smooth. The tide was coming in and we had to wade in the ocean to continue around the cliffs. We stumbled around coves and grottoes, maneuvering carefully over the slippery rocks. Finally, he pointed to a hidden hot spring that bubbled up

softly from the beach. It was just high enough to hold two of us at once. As the waves came in from the sea, the water was cooled. As the waves retreated, the water warmed again.

We seemed a world away from Palermo, a universe from home, negotiating a kind of reverie where the lines between flesh and the physical world blurred. We had chased dreams during our lives. On Panarea, it seemed we might just catch them.

Artie Traum, a guitarist, wrote this for The New York Times.



Six-armed windmills sprout from the salt pans of Marsala, Sicily.

### Carried by the Western Winds And Plunging Into Phoenicia

By Theresa M. Maggio

**M**ARSALA, Sicily — Last spring, I roamed through 28 centuries of history on the northwest coast of Sicily, in the province of Trapani. I visited the windmills of Marsala, the Phoenician island of Motya and the heights of Erice, an ancient town perched 1,873 feet above the Mediterranean.

Windmills sprout from the salt pans of Marsala, their stone towers and six-armed fans reflected in the still water of the Stagnone lagoon. Coos-shaped and golden, they power pumps that move sea water into evaporator basins and turn millstones that grind salt crystals into powder. Sicilian sea salt is prized for its low sodium chloride and high magnesium content, which is said to increase its solubility and flavor.

Every windmill has a name: 500-year-old Ettore and Inferno, on the edge of Marsala, are the oldest ones in Sicily. Turi Toscano, the caretaker and salt master of Ettore who gives guided tours, loves the windmills as children and has written volumes of poetry about them.

He led me up a spiral wooden staircase inside Ettore's stone tower to a platform on top. He fitted white sailcloth to each oaken arm, six feet wide at the nuter end. When he swiveled the fan into the breeze the spinning blades whumped with incredible force. Ettore turns a giant wooden Archimede's screw that scoops lagoon water into 42 drying basins along 450,000 square meters of shoreline.

Just before the summer harvest, dead microscopic algae, unable to survive the increased salinity, tint the normally blue basins several shades of pink. In July, the salt forms a four-inch-thick crust that transforms the salt pans into checkerboard fields of blinding white. "For energy, we use only the wind and the sun, and our raw material is the sea," Toscano said.

Workmen pile the white crystals into nine-foot pyramids and cover them with red roof tiles. This protects the salt from wind and rain but "lets the salt breathe," Toscano explained.

The pans are a still place between the sea and land, good for settling salt and thoughts. Toscano and I strolled out toward the sea on one of the stone walkways between the basins. A breeze rippled the rectangular ponds, the two ancient windmills glowed in the late afternoon sun, the lagoon lapped at the stone wall and before us, the islands of Favignana and Levanzo floated like ships anchored in the mist. "Peace," he said. "We send the water back up to the heavens, and after all, isn't that a prayer?"

**A**T a dock a few steps from the windmills, a small boat crossed the lagoon to Motya — technically the tiny island of San Panaleo — to another world, just a half-mile away. Around 1900, Giuseppe Whitaker, a Briton who grew grapes for Marsala wine on Motya, his private 99-acre island, discovered the remains of a Phoenician settlement that was once the greatest Carthaginian stronghold in the central Mediterranean. In 397 B.C., the town was destroyed by Dionysius the Elder, the tyrant of Syracuse, and was left deserted for 23 centuries.

Motya now belongs to the Whitaker Foundation, which runs it as a museum. A well-worn path — shaded by pines and bordered by purple morning glories, prickly pears and acanthus — offers a stroll through Phoenician life.

Ancestors of the biblical Canaanites, the Phoenicians spoke a Semitic language and sacrificed their firstborn to Tinit, the earth mother and wife of Baal. We walked through a vineyard on our way to the Tophet, the place of burnt offerings, where the Phoenicians offered their firstborn to a goddess who caused new life to spring from the dead land every year.

On the northwest coast, just outside the city walls, archaeologists have unearthed jars from the eighth century B.C.

that contain bones and ashes of babies. Scientists continue to study the site, fenced and covered by a low roof. Plutarch once described a Tophet ceremony in Carthage, Motya's sister city. While flutes and drums drowned out the wailing, he related, a priest took the child from its mother, slit the baby's throat and hurled the body. The child's spirit was said to intercede for its people.

We walked down the ancient town's main street to the sea, where there used to be a double gate to the city wall. Motya, once an important trade center and rest stop for merchants, was ringed by a thick crenellated wall 1.47 miles long with a tower every 69 feet.

In the sixth century B.C., when the Mediterranean was about two feet lower, the Phoenicians built a mile-long road of stone across the strait to Birgi, on the mainland. At certain times of year, the roadbed, now under water, is still visible.

Following the city wall back to the boat landing and continuing to the south side of the island, I was treated to the rare site of a cistern, a sixth-century B.C. Phoenician port. Small ships passed through a tunnel in the wall to enter the rectangular pool, which was lined with cut stone. Ruins around the nine-foot-deep landing suggest the cistern was used for the stocking and unloading of merchandise. The only other existing cistern is on the north African coast.

The star of the Whitaker Museum is a white marble sculpture, the Youth of Motya, beneath a skylight in a room all by itself. Archaeologists pulled the statue from a pit in the industrial zone where the Phoenicians had buried it for safekeeping during the siege.

**ON TO ERICE** I took the ferry from my base on Favignana to the Trapani port, walked to the bus station and took a bus to Erice. The scenic but almost frighteningly steep and curvy road gave me an eagle's view of the salt pans laid out like a mosaic on the dark blue sea. Yellow cliffs curved up the coast to the northernmost corner of Sicily.

Only residents are allowed to bring cars into Erice; the rest park with the tour buses outside the city gate. I walked through Porta Trapani, a great arched portal in the city's Phoenician wall, built in the sixth and seventh centuries B.C., and set off without a map through the narrow streets.

In some lanes, grass grew up between the cobblestones, round as river rocks. The town, high and serene, is preserved in its medieval incarnation. Three-story stone apartments lined the streets shoulder to shoulder. A soothing mist hung in the streets and amplified the smallest sounds. In an unnamed side street, I found a tiny open courtyard with red and blue hydrangea bushes in pink terra cotta pots. Ericeans are proud of their secret gardens, a remnant of the Islamic culture that permeated Sicily in the ninth century.

Almost nothing of Aphrodite's temple is left but its breathtaking site on a cliff overlooking the sea. In the 12th and 13th centuries, a gray stone fortress was built on the temple's foundation. Two of the castle towers and a few crenellated walls remain, but the temple, like the burning ground at Motya, must be imagined.

A cracked stone platform, overgrown with wild agave plants, sits at the top of a flight of steps inside the castle walls. Here a hundred sacred prostitutes once received Aphrodite's worshippers. The Roman historian Diodorus said that when Roman officials visited "they put aside the gravity of office and enter into play and intercourse with women amidst great gaiety."

When I headed back to the bus stop, the parking attendant was serenading an American couple. The mountaintop echoed with "O Sole Mio," and Vito Bonanno, a vivacious 60-year-old, sang far us until the bus came.

Theresa M. Maggio, a free-lance writer, wrote this for The New York Times.

#### MOVIE GUIDE

By Kate Soper

**THE SLOW FORD**

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## INTERNATIONAL

# Iran Cleric Makes Plea For Unity

**Khamenei Seeks to Mend Split Over Mayor's Arrest**

By Douglas Jehl  
New York Times Service

CAIRO — Iran's supreme leader called Thursday for unity as part of a renewed effort to head off a political rupture over a legal case involving the mayor of Tehran, who was freed from prison Wednesday.

In remarks broadcast on Iranian television, Ayatollah Sayed Ali Khamenei warned Iranians against trying to choose between rival branches of government. The branches' differences have been laid bare in the case, a flashpoint for moderates and conservatives who have been vying to shape the country's course.

But it remained apparent that many Iranians saw the episode as a symbol of the broader struggle for power.

In Tehran on Thursday, hundreds of well-wishers flocked to the home of the mayor, Gholam-Hossein Karbaschi, where they chanted welcoming slogans, distributed celebratory sweets and erected a huge portrait of their hero at the end of his street. The visitors included top aides to President Mohammad Khatami, whose government has fiercely defended the mayor against corruption charges brought by the conservative-dominated judiciary and its leader, Ayatollah Mohammad Yazdi.

Mr. Karbaschi, 44, is a close ally of Mr. Khatami's, the moderate cleric who won an upset victory in May over candidates supported by the conservative establishment.

Many Iranian moderates regard the case against Mr. Karbaschi as part of a broader bid to obstruct Mr. Khatami's agenda. During the 11 nights the mayor spent in jail, their animosity had begun to erupt in street demonstrations.

The decision to free Mr. Karbaschi on bail was an undisputed effort by Ayatollah Khamenei to defuse those tensions, according to Iranian analysts and diplomats, as was the ayatollah's television appearance Thursday on the occasion of the Eid al-Adha, a Shiite Muslim feast. In his remarks, Ayatollah Khamenei said that Iranians were "duty-bound" to support both the government and the judiciary and that "all forces" should "join hands to keep before the flag of Islam with unity and sympathy."

As if to underscore that message, Ayatollah Khamenei was pictured seated in a chair, while on the floor beneath him were President Khatami, Ayatollah Yazdi, and Ali Akbar Nateq-Nouri, the conservative speaker of Parliament.

Under the law, Mr. Karbaschi could have been held without bail for a month. But his early release does not mean the charges against him have been dropped; he is still expected to face a public trial, although no date has been set.

A number of Mr. Karbaschi's top subordinates have been convicted of similar corruption charges as part of a broad inquiry begun by judicial officials began shortly after Mr. Khatami's victory.

## U.S. Defends Persian Broadcasts

The State Department said a planned increase in U.S.-financed radio broadcasts to Iran was designed to "enrich" domestic political debate, not to undermine the Iranian government, Reuters reported from Washington.

Under pressure from the Republican-led Congress, the State Department has been discussing how to increase Persian-language broadcasts without derailing tentative steps toward U.S.-Iranian reconciliation initiated by President Khatami.

"The purpose of these broadcasts is not to beam anti-government propaganda into Iran," the State Department spokesman, James Rubin, said Wednesday. "Rather, this new service would provide more detailed factual reporting on political, social and foreign policy issues affecting Iran."

"But no one should misinterpret this as an attempt to undermine the Iranian government or as in any way diluting the very clear position we have that we are encouraged by the developments in Iran."



Mayor Gholam-Hossein Karbaschi of Tehran, after his release on bail.

## Turin Shroud Is Moved To Exhibition Showcase

Agence France-Presse

TURIN — The Shroud of Turin, which according to tradition was used to wrap the body of Christ after the Crucifixion, was moved Thursday to a ventilated showcase in Turin cathedral, where it is to go on show for two months.

Three million people from Italy and around the world are expected to make the journey to see the relic, despite scientific tests in 1988 that indicated the shroud dates from the Middle Ages rather than from the time of Jesus.

The shroud, which was almost destroyed by fire last year, is being kept in a controlled atmosphere monitored by computers, and will be guarded around the clock by 50 security officers.

"The system will show up the slightest change in conditions conserving the shroud so action can be taken immediately," said Don Giuseppe Ghiberti, one of the organizers of the exhibition that starts Saturday and runs until June 14. The last exhibit was in 1978.

Pope John Paul II is planning a trip to Turin on May 24 to see the shroud.

## IRAQ: 'No Progress' Seen in Meeting Criteria to End Sanctions

Continued from Page 1

of biological and chemical weapons," he added.

Diplomats and inspectors who took part in the visits to presidential sites in Iraq said that they found buildings stripped of all equipment and even furniture.

"It was clearly apparent that all sites had undergone extensive evacuation," a separate report by the leader of the arms inspectors who visited the eight sites said this week. "In all the sites outside of Baghdad, for example, there were no documents and no computers."

The report, by Charles Duelfer, deputy executive chairman of the disarmament commission, also said that the Republican Palace, Mr. Saddam's official residence in Baghdad, had been evacuated.

Inspectors and diplomats who visited the sites were almost literally boxed in by government "ministers" who at times outnumbered inspectors by six or seven to one, a participant in the inspections said. The group moved in huge convoys from place to place, with plenty of notice to Iraqi officials.

Some inspectors and diplomats were stunned by the opulence of the presidential palaces, which one visitor described as "beyond ostentation." Imported materials such as marble, Persian carpets and wide-screen television receivers defined some rooms that by one estimate must have cost millions of dollars to furnish.

Mr. Saddam, who has lavished several hundred billions of dollars on projects of self-glorification, according to a former Iraqi minister now in exile in Europe, had meanwhile limited or prohibited imports of essential civilian goods until last year, using the lack of basic food and medicines as propaganda against the United States and others who have vowed consistently to maintain tight sanctions.

The Iraq claims are beginning to gain resonance in the West, where relief groups are forming to aid Iraqis and oppose the sanctions, blaming the embargo rather than Iraqi policies for the deaths and malnutrition in Iraq linked to the restrictions.

Iraq is also making headway in its campaign to get UN approval to expand its oil-production capacity under the plan that allows the government to export oil to buy good to reduce civilian shortages.

In a report to the Security Council on Wednesday, the UN secretary-general recommended that Iraq be allowed to import \$300 million in equipment to upgrade its wells and pipelines. Mr. Anan based his recommendation on a survey made by a team of independent oil experts working for the Dutch company Saybolt.

The Security Council recently raised the limit on Iraqi oil exports to \$5.2 billion over six months, more than double the \$2 billion in oil that Iraq had been able to sell until this year. Even factoring in fluctuating oil prices, the Saybolt experts concluded, Iraq would not be able to pump \$5 billion with its dilapidated equipment.

The decision on whether to allow Iraq to buy new equipment rests with the Security Council, where questions are certain to be raised about Mr. Saddam's lavish spending on palaces and other monuments to himself and why that money could not be used in more productive ways that would benefit all Iraqis.

Mr. Blair said that EU efforts would concentrate on key agreements made by Palestinian and Israeli negotiators in peace talks in Oslo four years ago that have not yet been implemented.

"We are deeply concerned that the spirit of Madrid and Oslo has evaporated and that the promise of those agreements has not been fulfilled," he told the Cairo newspaper Al-Ahram in an interview published Thursday. He was referring also to the 1991 Middle East conference in Madrid.

Mr. Blair said this week that it would be difficult to gauge the prospects of success before the trip. "We'll obviously hope that we can play some role in bringing people together," he said while on a short vacation in Spain, "recognizing the limitations of our role and the difficulties that we will encounter."

Foreign Secretary Robin Cook, whose own trip to Israel in March ended in disarray, told Parliament that Mr. Blair would be armed with "new specific proposals" to help the peace process move forward.

The peace talks ground to a halt last year amid the construction of Jewish settlements in occupied Arab lands, a series of Palestinian suicide bombings against Israeli targets and disputes over Israeli troop deployments.

Britain now holds the EU's rotating presidency, and, before his trip last month, Mr. Cook launched an ambitious EU plan to reinvigorate the process.

Mr. Blair said in the Al-Ahram interview that he did not believe Washington would withdraw from the Middle East peace process despite its frustration with the prolonged stalemate.

He said he was aware from his discussions with President Bill Clinton of Washington's frustration at the lack of a breakthrough. "But I do not have the impression that they are about to disengage," he said.

Mr. Blair also said he would use his visit to advance ideas on interim economic issues such as the opening of an airport and an industrial zone in the Gaza Strip. (Reuters, AFP, AP)

## Blair to Head for Mideast

**Trip Will Test 'New Specific Proposals' From EU**

Compiled by Our Staff From Dispatches

LONDON — Fresh from securing a political agreement in Northern Ireland, Prime Minister Tony Blair flies to the Middle East on Friday armed with new European Union plans to help revive its stalled peace process.

Mr. Blair will spend five days in the region, visiting Egypt, Saudi Arabia, Jordan and Gaza.

On the eve of the trip, Mr. Blair made clear he was anxious about the state of the Arab-Israeli talks and signaled he had only limited expectations of success.

On Thursday, Prime Minister Benjamin Netanyahu of Israel and Jordan's King Hussein met unexpectedly in Eilat, Israel, to discuss ways to break the impasse.

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Mr. Blair also said he would use his visit to advance ideas on interim economic issues such as the opening of an airport and an industrial zone in the Gaza Strip. (Reuters, AFP, AP)

## BRIEFLY

## Israel Will Free More Palestinians

JERUSALEM — Israel has promised to release next week two more Palestinian political activists held for years without trial, their attorney said Thursday.

On Wednesday, Israel freed two leaders of the Popular Front for the Liberation of Palestine, a radical faction of the Palestine Liberation Organization.

Israeli media reported that the releases were part of a deal between the Popular Front and Israel's Shin Bet security service. One of the detainees, Ahmed Qatamesh, and his attorney, Jawad Boulos, denied a deal had been struck. (AP)

## A 4th Party Backs Abacha Presidency

KADUNA, Nigeria — The dominant United Nigeria Congress Party said Thursday that it had adopted the military ruler Sani Abacha as its candidate for presidential elections in August.

The party is one of four out of five registered parties that have proposed General Abacha as a presidential candidate.

General Abacha, 54, has yet to say whether he will run for the presidency, but has done nothing to stop a huge campaign on his behalf that has received the backing of state agencies. (Reuters)

## U.S. Sees Hostages In Colombia at Risk

BOGOTA — As Colombian troops continued an air and ground offensive against leftist rebels holding four Americans this week, U.S. officials said the military actions could endanger the hostages.

"We expressed our concern about this activity to the Colombian military," a State Department official said. "I think they understand."

Members of a guerrilla group seized the Americans, an Italian and more than two dozen Colombians on March 23 near Villavieja, southeast of the capital. (WP)

## For the Record

Mexico has expelled three Norwegians who were arrested in the state of Chiapas for allegedly manning a rebel roadblock, Norwegian embassy officials said. (Reuters)

## G-7: A Call for New Financial 'Architecture'

Continued from Page 1

world's economic architecture for the G-7 summit meeting in Birmingham, England, next month, explained the need for a better system Tuesday.

Noting that some \$250 billion of private capital flowed to emerging markets in 1996, more than 10 times the level of a decade ago, Mr. Rubin said this explained "why fluctuations in the Thai baht or the fortunes of the Korean stock market can now affect workers, farmers and businesses in the United States and all over the world."

On Thursday, the IMF's policy-setting Interim Committee discussed plans to improve surveillance and the quality and timeliness of data, to introduce a new global code of good fiscal conduct and to persuade poorer countries that opening up their capital markets would actually help them in the future. The topic was taken up Thursday at a meeting of G-7 and ministers from 15 countries in Asia, Latin America, Africa and Eastern Europe.

Mr. Rubin noted that nearly 80 percent of the IMF's membership does not even participate in a new data dissemination system that was introduced in 1996. He said the IMF might consider making public which countries did and did not participate "so that creditors and investors can reflect that status in their decisions."

He also called for better disclosure of foreign-exchange reserves as well as foreign-currency debts from both the public and private sectors.

Finance Minister Theo Waigel of Germany said that because some countries had ignored warnings before the Asian crisis struck, the IMF should consider issuing public warnings if countries ignored confidential ones.

Gordon Brown, Britain's chancellor of the Exchequer, told the IMF on Thursday that "events in Asia show that lack of openness and transparency breeds instability." He urged that countries be punished for failing to provide all the data called for by the IMF.

Separately, Mr. Brown and his Canadian counterpart, Paul Martin, each made specific proposals to set up a watchdog that would survey the competence of domestic banking supervisors around the world.

While G-7 and IMF officials agree on the need for a new architecture, some aspects may prove a hard sell.

For one thing, a number of developing countries are balking at some of the stricter rules being proposed. Equally, the ideas of U.S.-style disclosure, regulation and market-opening steps do not sit well with many developing countries.

"The growing debate on architecture of the global financial system is reassuring," said Finance Minister Anwar Ibrahim of Malaysia.

But he stressed that "the free-market theology preached by some whose motives are hardly altruistic is being held aloft for closer examination by those who are directly affected by the toll it exacts on social concerns."

Even in the industrialized world, not everyone is eager to do more than re-touch bits and pieces of international financial architecture.

The goal, said David Lipton, a U.S. Treasury undersecretary, is not to remake the world system, but to improve it with "adaptations."

Mr. Lipton said the process began three years ago, after the Mexican crisis of 1995. Some experts, however, say that despite all the talk about a new architecture, there simply may not be any fail-safe solution.

## Rubin Calls for Flexible Europe

Mr. Rubin said Thursday that the success of Europe's single-currency project would depend on reducing unemployment and making European markets more open and more flexible.

"We are beginning to see signs that the current recovery is becoming wider and deeper," Mr. Rubin said. "However, unemployment remains at extremely high levels, and a significant reduction will necessitate implementation of labor market reforms and greater openness of product and financial markets."

"As Europe moves toward monetary union," he said, "it is important that fostering domestic demand-led growth, reducing high levels of unemployment and making Europe more flexible and dynamic."

## Chirac Insists That the Euro Will Give France Strength

By Anne Swardson  
Washington Post Service

PARIS — President Jacques Chirac, seeking to dampen a new wave of Euro-skepticism here less than a week before the legislature is to vote on joining Europe's planned single currency, said Thursday that a united Europe would give France "the strength and the means to defend its interests and realize its ambitions."

Mr. Chirac also declined to put to rest the only outstanding conflict in the passage to the euro, by defending France's candidate for president of the European Central Bank, Jean-Claude Trichet, the head of the French central bank. Most prospective members of the monetary union support Wim Duisenberg, the former Dutch central bank chief who heads the European Monetary Institute.

With the birth of the euro, the head of the European Central Bank will become one of Europe's most powerful figures. The holder of the post will lead in setting interest-rate and anti-inflation policies for the countries that adopt the euro. Some analysts fear that if the bank head is not selected before the euro members are, it will signal instability and political caprice to financial markets.

Although France has always been an ardent supporter of European integration, in recent days political opponents of the euro have protested more loudly against the loss of sovereignty than the new money entails.

Interior Minister Jean-Pierre Chevènement, a political maverick, recently compared the march toward the euro with the sinking of the Titanic. Charles Pasqua, a prominent conservative lawmaker, said the euro would lead to "the disappearance of France as a sovereign power."

The French National Assembly is to vote in the middle of next week on whether to drop the French franc officially and adopt the euro, which will be introduced at the beginning of next year. Approval is considered a virtual certainty, but the Communist Party and some conservatives, as well as the far-right National Front, are against it. Mr. Chirac is from the center right, while France these days is governed by a Socialist-led alliance that also is in favor of the euro.

On May 2, leaders of the 15 countries of the European Union will meet in Brussels to launch the single currency by picking the countries that will be the first to adopt it. Eleven countries — Austria,



Jacques Chirac seeking Thursday to quell skepticism over adopting the euro.

Belgium, Finland, France, Germany, Italy, Ireland, Luxembourg, Netherlands, Portugal and Spain — are expected to be chosen.

Mr. Chirac spoke as much about the need to change France as about the advantages of being in a monetary union with the rest of the continent.

"We have handicaps: Too many taxes, too much bureaucracy, excessive government spending," he said, adding, "We need to reform to succeed in Europe."

Asked whether the euro would mean the end of France's extensive social benefits, Mr. Chirac replied, "Never." "It's not a question of putting our social benefits at risk," he said. But he added, "We have to modernize."

## CLINTON: Paula Jones Plans to Appeal

Continued from Page 1

shoulder as she spoke. "I was shocked," she said of a ruling made April 1 by Judge Susan Webber Wright of U.S. District Court in Little Rock, Arkansas, that the suit against Mr. Clinton did not merit a trial.

Mrs. Jones said she had taken time to decide whether the stress on her family made an appeal worthwhile. "Despite the continuing personal strain on my family and me, in the end, I have not come this far to see the law let men who have done such things dodge their responsibility," Mrs. Jones said.

Her statement, tightly drafted by her attorneys, was her first public comment on the case since the dismissal.

In the four years since she first aired her allegations against Mr. Clinton, which he denies, Mrs. Jones has publicly spoken for herself just a few times.

"There is no one-free-pass rule" in the law, said her attorney, Donovan Campbell. "Let a jury decide who is truly responsible."

John Whitehead, also an attorney, traveled to Dallas on Wednesday with written agreements that the Rutherford Institute, the conservative foundation that he heads, would continue to cover Mrs. Jones's legal expenses through the lengthy appeal.

"We're in it for the long haul, no matter what it costs," he said.

Mr. Clinton, making a state visit to Chile, ignored repeated and shouted questions from reporters about the Jones case.

Mrs. Jones, 31, has waged a drawn-out fight against Mr. Clinton since she filed a civil suit in 1994 that charged he dropped his trousers and asked for oral sex in a hotel room in Little Rock on May 8, 1991.

An appeal to the 8th U.S. Circuit Court of Appeals in St. Louis could extend for years a lawsuit that already has inflicted damage on Mr. Clinton in the form of Kenneth Starr's investigation in the Monica Lewinsky case.

Mr. Clinton also had to sit for a difficult deposition in the Jones case in which he was asked about allegations of sexual encounters or affairs with a number of women, including Ms. Lewinsky, a former White House intern.

Legally, many observers have said the Jones case would probably have a tough time reversing Judge Wright's ruling that the lawsuit did not merit a trial.

Mr. Whitehead acknowledged as much. "You can't guarantee a win on appeal, but we are saying it could be a partial reversal," he said.

In dismissing the Jones suit, Judge Wright said there was not sufficient merit to her allegations that Mr. Clinton's behavior was "outrageous" under Arkansas law and that he had sexually harassed her under federal law.

Investors Cheer an Outside Ap...

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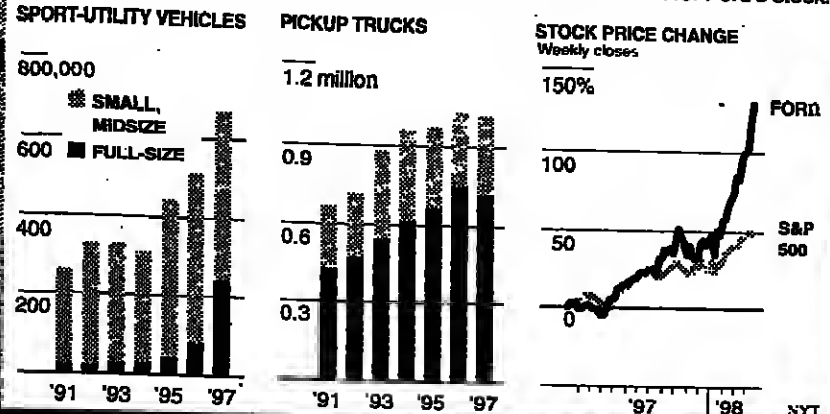
Small Business

Small Business



### Investors Cheer an Outsize Approach

Ford is building more pickups and sport-utility vehicles, particularly the biggest models, which has contributed to Wall Street's recent enthusiasm for Ford's stock.



Source: Jacobs & Associates

Ford Motor Co. has abandoned some less profitable vehicles in favor of high-margin light trucks such as the Super Duty F-Series, pictured here.



## Ford Cashes In on U.S. Lust for the Big Wheels

By Keith Bradsher  
New York Times Service

LOUISVILLE, Kentucky — After years of cranking out low-profit heavy-truck tractors through a maze of conveyor belts and robot welders covering more than 100 acres (40 hectares) here, North America's largest auto factory has a new product. And it is beginning to earn a fortune for Ford Motor Co.

When Ford sold its heavy-truck business to Daimler-Benz AG last year, the company began building Super Duty pickups, which are taller than Michael Jordan and have front seats nearly four feet (1.2 meters) off the ground, have been an instant hit since they went on

sale in February. To keep them selling, and the profits rolling, Ford has brought in a thousand workers from unprofitable factories in Ohio and has begun operating the factory here around the clock.

"This truck plant has gone from producing low-volume, low-margin vehicles to much higher-volume and certainly much higher-margin vehicles," Jacques Nasser, Ford's president of worldwide automotive operations, told thousands of cheering workers recently after driving one of the first big pickups off the assembly line.

Ford is betting more and more on its stars — bigger vehicles that turn bigger profits — and turning its focus away from what was once its heart and soul,

even scrapping some passenger car models.

"I think much more of the quality of the sales than the number of wheels we drive across the curb," said Alex Trotman, chief executive of Ford, using an

Ford posts higher profit. Page 17.

industry phrase for the number of new vehicles leaving dealerships.

This is a radical departure in Detroit, where automakers have traditionally kept selling every model possible to squeeze out the last ounce of market share. General Motors Corp. has stuck valiantly to this costly strategy, keeping alive dozens of slow-selling cars.

A string of successes like the Super Duty, the Ford Expedition and the Lincoln Navigator — combined with sharp cost reductions across the board — have produced steeply rising profits and a soaring stock price for Ford.

Its net earnings rose 56 percent last year to a record \$6.92 billion, the fourth-highest profit of any American corporation.

After years as a laggard, Ford's stock has more than doubled in price in the past 12 months. Its shares closed Thursday at \$49.625, down 25 cents.

If gasoline prices rise or the mania for sport-utility vehicles fizzles, cars might become popular again, hurting such

See FORD, Page 17

### Thinking Ahead / Commentary

## The Uneven Results of Foreign Pressure on Japan

By Reginald Dale  
International Herald Tribune

WASHINGTON — It is a well-worn ritual. Washington picks a Japanese trade or economic practice it wants to change and cranks up the pressure on Tokyo. In the end, Tokyo budges, but not very much. Washington claims victory, and, sooner or later, the whole process starts over again.

Gaiatsu, as foreign pressure is called in Japan, is not an ideal way to get results. "Nothing can happen without foreign pressure," says Clyde Prestowitz, president of the Economic Strategy Institute in Washington. "But the fact that you continually have to apply it suggests that it doesn't really work."

Whether gaiatsu will work now is the key question as Japan's friends and allies mount an increasingly desperate and strident campaign to persuade Tokyo to stimulate its economy and open its markets to exports from countries hit by the Asian financial crisis. The stakes are much higher than in

standard cases of gaiatsu in the past. At issue is not just the outcome of a limited trade dispute between Tokyo and Washington, but the future of the Asian and possibly the world economy.

So far, however, the signs are that Japan will do no more than make its usual incremental concessions to foreign opinion, even though this time it is not only the United States that is applying pressure but virtually all of the world's major economic powers.

Ryutaro Hashimoto, the Japanese prime minister, has been lectured on the need for radical action by the European Union, the Group of Seven leading industrialized countries, the International Monetary Fund and the Organization of Economic Cooperation and Development.

Japan has been given unprecedented warnings to assume its international responsibilities by the countries of Southeast Asia and even by Taiwan. The leadership vacuum in Tokyo has been widely and unfavorably compared with China's promise to help the region by not devaluing its currency.

Meanwhile, international experts are stepping up criticism of Japan's much-trumpeted Big Bang financial deregulation plan for not going far enough and the Moody's Investors Service credit rating agency has raised questions about Japan's sovereign debt.

As the pressure has risen, so apparently has Japanese resentment. Americans are accused of ignorance of Japan's politics and its complex taxation system, a charge that may be true but is largely irrelevant, and of failing to respect the rules of the gaiatsu ritual.

It seems from various comments that the Japanese understanding of these rules is as roughly follows: Friendly persuasion is all right, but not humiliation; it is O.K. to press for general economic policy objectives, but not for specific economic targets, and itemized demands may be made on trade policy, but there can be no questioning of the basic Japanese economic system. Despite the urgency, Mr. Hashimoto

seems to want to play a classic gaiatsu game. He has finally budged a little by agreeing to include tax cuts in his latest economic stimulus package, as Washington has long demanded.

But he is still nowhere near taking the dramatic steps to stimulate and deregulate the economy that Japan's partners, and many Japanese, believe are necessary — not only for everyone else's sake but for Japan's, too.

Mr. Hashimoto is in a difficult situation. But if record doses of gaiatsu don't work, Japan's partners will be increasingly forced to conclude that only a major crisis will bring Tokyo to its senses. In other words, they will be tempted to wash their hands of Japan and let it hit rock bottom.

That is a conclusion they have always resisted in the past, if only because a crisis in Japan could badly damage the rest of the world. But if Tokyo continues in its current paralysis, Japan's friends may in the end have few other options.

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## Westland and Agusta To Fly Off Together

Helicopter Deal Unites 2 Big European Firms

By Tom Buerkle  
International Herald Tribune

LONDON — Westland Helicopters Ltd. of Britain and Agusta SpA of Italy announced plans Thursday to merge their operations in a move that analysts said could give a boost to a broader restructuring of Europe's defense industry.

The venture, which would have annual sales of about £1 billion (\$1.68 billion), would reduce the number of Europe's helicopter makers to two from three. The combined sales would equal those of the Eurocopter joint venture between Aerospatiale of France and Daimler-Benz Aerospace AG of Germany.

The combination would also narrow the gap that separates Westland and Agusta from Boeing Co., the U.S. company that dominates the global market.

The combined order book of Westland and Agusta, some \$8.5 billion, would be second only to Boeing's.

"We've beaten others to the punch," Westland's chief executive, Richard Case, said. The merger will allow Westland and Agusta to participate in further industry restructuring from a position of strength, either with Eurocopter or with American makers such as Textron Inc.'s Bell Helicopter unit or United Technology Corp.'s Sikorsky Aircraft division, he said.

"I consider this the first step of a broad consolidation," said Amedeo Caporali, chief executive of Agusta.

The proposed venture still requires a detailed agreement on pooling assets and profit-sharing between the parent companies GKN PLC, which owns Westland, and Finmeccanica SpA, the parent of Agusta.

The proposed merger represents another step by Finmeccanica to transform itself from a state-owned conglomerate into a private-sector holding company

with stakes in several international joint ventures.

Two weeks ago, Finmeccanica said it was near an agreement on establishing a joint venture in missiles and radar between its Alenia defense unit and the GEC Marconi defense-electronics unit of General Electric Co. of Britain.

Analysts welcomed the proposed deal, saying that Westland's predominantly military products — including its Super Lynx naval helicopter and the Apache attack helicopter built under license from Boeing — would complement Agusta's mostly civilian offerings. The two companies jointly developed and produce the EH101 medium-lift helicopter for military or civilian use.

GKN shares rose 32 pence, or 2 percent, to close at £16.35 in London.

But for all the enthusiasm, the proposed deal highlighted some of the barriers that continue to prevent Europe's national defense companies from merging into potent rivals for the likes of Boeing and Lockheed Martin Corp.

Westland and Agusta have had exploratory talks with the Eurocopter partners, Mr. Case said, but the French government's control of Aerospatiale ruled out any prospect of a merger. "It's going to be very difficult to do business as long as there is that kind of state ownership," he said. Although Finmeccanica is 63 percent state-owned, the Italian government has announced plans to fully privatize the company.

The deal also marks an interesting turn in Westland's history. In 1986, then-ailing Westland accepted an American-led bailout involving Sikorsky in preference to a European consortium involving Agusta. GKN took a 28 percent stake in 1989 and then bought out Sikorsky and took full control five years later.

## U.S. Commerce Secretary Faults Encryption Policy

By Jeri Clausen  
New York Times Service

WASHINGTON — The White House's attempts to control encryption technology have been a failure and are causing American software makers to lose ground to competitors, Commerce Secretary William Daley said.

Mr. Daley's remarks to representatives of the high-technology industry were the strongest indication yet that President Bill Clinton's administration was considering rejecting the advice of the FBI director, Louis Freeh, and other law-enforcement and intelligence agencies on how data should be scrambled.

"We are headed down a lose-lose path, and we have to get back to winning," Mr. Daley said. He blamed both industry executives and law-enforce-

ment officials for the failed policy, saying they had failed to find a compromise between the needs to monitor criminal activities and to offer consumers security for on-line transactions.

The purpose of his speech Wednesday was to release the Commerce Department's first comprehensive report on the impact of electronic commerce on the U.S. economy. The report showed that information technology, including business on the Internet, is growing twice as fast as the overall economy, employing about 7.4 million workers at salaries 64 percent above the national average.

But while the report was full of impressive numbers and glowing predictions, Mr. Daley said strong encryption

See PRIVACY, Page 17

## U.S. Challenge: To Lift Yen but Keep Dollar Strong

By David E. Sanger  
New York Times Service

WASHINGTON — Top finance officials and heads of the central banks in the world's leading industrialized nations have concluded that the yen has fallen too far as Japan has struggled to pull out of its worst financial troubles in years.

But at the end of a daylong meeting Wednesday of Group of Seven finance ministers, they offered little explicit help to Tokyo in bolstering the yen, and the U.S. Treasury secretary, Robert Rubin, said the United States was not retreating from its view that a strong dollar was in America's interests.

"I continue to support a strong dollar," he said, carefully stepping around the question of how the yen could rise in value without the dollar falling.

The dollar, which had been weakening against the yen before Mr. Rubin spoke, stabilized afterward. His comments appeared to have been interpreted on foreign-exchange markets as a sign that while the yen might be allowed to rise a little, the United States would not let the dollar decline much against the yen.

That was also the message last week, when Mr. Rubin said he "welcomed" Japan's intervention in currency markets to bolster the yen but made it clear that the United

States had not spent a penny to do the same. The dollar, which rose in the Tokyo foreign-exchange market Thursday, was holding onto its gains against the Japanese currency in late New York trading. (Page 14)

The yen's value has become an embarrassing indicator of Japan's weakness and the unlikelihood of its imminent recovery.

A communiqué issued by the Group of Seven on Wednesday night said the challenges facing Japan were "serious" and had "intensified" in recent months.

"What is crucial is to implement quickly a strong program of effective fiscal measures and structural reforms," the communiqué said.

While Japanese industry benefits from a weak yen, which makes its exports less expensive and thus more competitive abroad, Japanese officials are clearly concerned that the slide has gone too far.

They also know that a weak currency is a political hazard. The weak yen has kept Japan from importing more goods from Southeast Asia, which is struggling to overcome its own crisis. That has created considerable tension with its neighbors.

The flood of Japanese imports into the United States, fueled by the weak yen, is greatly increasing the size of Japan's trade surplus with America. U.S. officials have

warned that the widening trade gap could reignite a political outcry on Capitol Hill, including renewed calls for protection against Japanese imports.

As soon as the meeting of finance officials ended Wednesday, the participants were putting their distinctive spins on its conclusions, hoping to influence the markets to their advantage.

For example, Japan's deputy minister of finance, Eisuke Sakakibara, noted that considerable time had been spent on the question of whether stock markets around the world, particularly in the United States, had gone too high.

He said after the meeting that the G-7's statement Wednesday suggested that the seven countries — Japan, the United States, Britain, France, Germany, Canada and Italy — could decide to intervene in the currency markets simultaneously to drive up the value of the yen.

Mr. Sakakibara, regarded as one of Japan's most powerful finance officials, said that the communiqué "is indicating the possibility of coordinated intervention." He clearly hoped the possibility of such action would dissuade investors from betting on further yen weakness.

But at a news conference at the Treasury on Wednesday evening, Mr. Rubin said coordinated intervention in the markets had not been discussed.

Mr. Rubin also insisted that the meeting Wednesday did not include much heated criticism of Japan.

"Heated?" he said. "These are finance ministers and central bankers. Our idea of heated is somebody has an extra glass of water. I wouldn't call it heated."

### CURRENCY & INTEREST RATES

April 16									
Cross Rates									
	£	DM	FF	Yen	DM	FF	Yen	DM	FF
Amsterdam	1.37	1.44	1.12	0.33	0.11	—	—	—	—
Brussels	1.37	1.44	1.12	0.33	0.11	—	—	—	—
Frankfurt	1.37	1.44	1.12	0.33	0.11	—	—	—	—
London (d)	1.37	1.44	1.12	0.33	0.11	—	—	—	—
Madrid	1.37	1.44	1.12	0.33	0.11	—	—	—	—
Milan	1.37	1.44	1.12	0.33	0.11	—	—	—	—
New York (d)	1.37	1.44	1.12	0.33	0.11	—	—	—	—
Paris	1.37	1.44	1.12	0.33	0.11	—	—	—	—
Tokyo	1.37	1.44	1.12	0.33	0.11	—	—	—	—
Zurich	1.37	1.44	1.12	0.33	0.11	—	—	—	—
1 ECU	1.37	1.44	1.12	0.33	0.11	—	—	—	—
1 USD	1.37	1.44	1.12	0.33	0.11	—	—	—	—
Libor-Libor Rates									
	1-month	3-month	6-month	1-year	1-month	3-month	6-month	1-year	1-month
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Key Money Rates									
	1-month	3-month	6-month	1-year	1-month	3-month	6-month	1-year	1-month
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

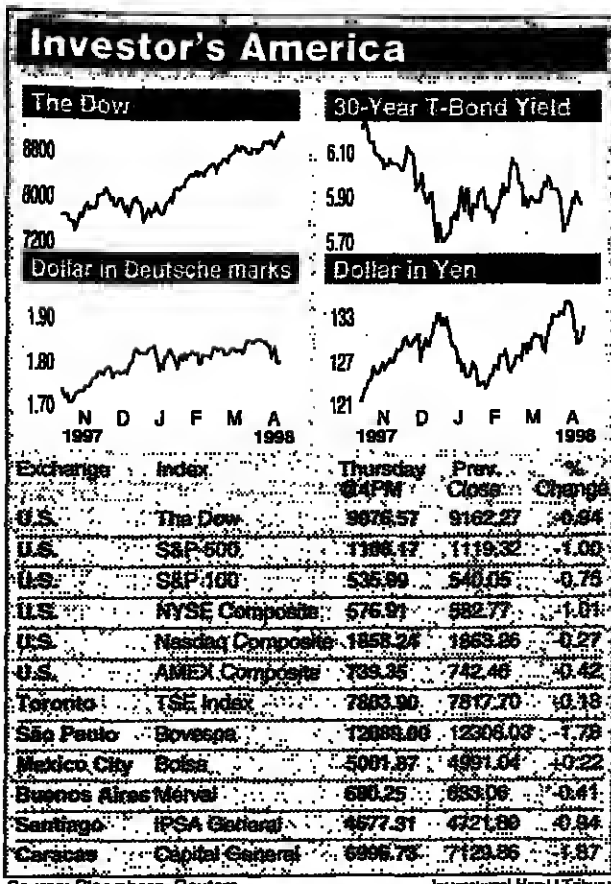
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## THE AMERICAS



## Very briefly:

- The New York Times Co., a 50 percent owner of the International Herald Tribune, said first-quarter earnings rose 25 percent, to \$64.6 million, as increased advertising revenue offset rising newspaper costs. Revenue rose 4 percent, to \$722.6 million. The company owns more than 22 newspapers and magazines, as well as several television stations.
- General Dynamics Corp.'s first-quarter profit rose 15 percent, to \$82 million, as the maker of military electronics systems benefited from recent acquisitions that helped sales rise 22 percent, to \$1.15 billion.
- Merck & Co.'s first-quarter profit rose 14 percent, to \$1.16 billion, as sales of new drugs to treat asthma and hives helped offset declining sales of an older cholesterol-reducer, Mevacor. Sales rose 9 percent, to \$6.06 billion.
- Digital Equipment Corp.'s third-quarter profit jumped to \$106 million from \$51 million a year earlier as the computer maker cut costs 5.5 percent, to \$3.09 billion. Sales slipped 3.6 percent, to \$3.31 billion, for the period that ended March 28.
- Texas Instruments Inc.'s first-quarter profit tumbled 90 percent, to \$11 million, as memory-chip prices tumbled and revenue fell 3 percent, to \$2.19 billion; the company took special charges totaling \$244 million. AP, Bloomberg, Reuters

## Doubts on Cendant Deal Hit Shares

MIAMI — Shares of American Bankers Insurance Group and Cendant Corp. tumbled Thursday as investors questioned whether Cendant would stand by its agreement to take over the insurer.

American Bankers closed down \$7.375 at \$57.50, while Cendant's shares were off \$16.50 at \$19.125.

Late Wednesday, Cendant, which agreed in March to pay \$3.1 billion in cash and stock for American Bankers, said it had uncovered "accounting irregularities" and would restate 1997 earnings.

## Dollar Rises As G-7 Fears Start to Fade

Bridge News

NEW YORK — The dollar rose against the yen Thursday as speculation subsided that the Group of Seven leading industrial nations would intervene together to support the Japanese currency.

Dealers noted that the official statement issued at the G-7 meeting on Wednesday made no mention of such an effort, instead putting the

## FOREIGN EXCHANGE

onus on Japan to take steps to "correct" what the G-7 called "excessive" yen weakness.

The dollar was at 131.755 yen in 4 P.M. trading, compared with 129.875 yen late Wednesday.

"The market was concerned the G-7 would say something more regarding their determination to keep the yen strong," said Bill Bertha, senior foreign exchange dealer at Mellon Bank.

The dollar also rose against the Deutsche mark as weaker-than-expected February retail sales lessened expectations that a German rate increase was imminent.

The dollar was at 1.8048 DM, compared with 1.8005 DM late Wednesday. The dollar also rose to 6.0475 French francs from 6.0365 francs and to 1.5033 Swiss francs from 1.4958 francs.

The pound rose to \$1.6913 from \$1.6855, buoyed by comments from Gordon Brown, the British chancellor of the Exchequer, who downplayed exporters' concerns about the strength of the pound.

## Apple's Net Overachieves Again

New York Times Service

SAN FRANCISCO — Confounding the skeptics again, Apple Computer Inc. has reported quarterly earnings that were more than twice the consensus forecast of Wall Street analysts.

The surprisingly strong results — the first time the company has posted back-to-back quarterly profits since 1995 — helped lift the stock price to \$28.75 at Thursday's close, up \$1.3125. The earnings report was released late Wednesday.

Apple earned \$55 million in the quarter that ended March 27, against a loss before charges of \$708 million a year earlier.

Sales fell 12 percent, to \$1.41 billion. "There's no smoke and mirrors here; they just happen to be profitable," said Daniel Kunster, an analyst with J.P. Morgan & Co.

"At some point, they've got to pull their nose up in terms of revenues, but they know that, and they did get the unit count up," he said, referring to Apple's 8 percent gain in unit shipments for the quarter.

## Blue-Chips Decline as Earnings Fall Short

Compiled by Our Staff From Dispatches

NEW YORK — Stocks retreated Thursday, led by drug shares, after Merck reported profit that fell short of expectations.

The Dow Jones industrial average closed 85.70 points lower at 8,078.57, its first daily decline in five trading sessions. At its low for the day, the blue-chip average was down more than 120 points.

"Earnings are slowing down," said Shannon Reid, a senior portfolio manager for First Capital Group. "You have to expect days like this."

The Standard & Poor's 500 Index lost 11.15, to 1,108.17. The Nasdaq

composite index declined 5.02, to 1,858.24.

While Merck said first-quarter profit rose 14 percent, per-share earnings of 95 cents were 2 cents

## U.S. STOCKS

short of analysts' estimates. The drugmaker, whose share fell 4 1/4 to 119 1/4, said the strength of the dollar continued to erode the value of its overseas revenue.

"Of the pharmaceutical companies that have reported so far, one of them have beat expectations," said Barney Rosen, an analyst with Argus Research Co. in New York.

"That makes people nervous."

Texas Instruments rose 7 1/16 to 58 after reporting first-quarter earnings of 44 cents a share, matching estimates. Orders and memory-chip prices declined, although the company managed to make a profit because net interest and other income surged.

Investors fear that a recession in Japan could drag down the rest of Asia, hurting U.S. profits, traders said. Analysts said the meeting of the Group of Seven nations that ended Wednesday had failed to encourage the belief that Tokyo would take effective steps to revive the world's second-largest economy.

Internet stocks climbed, led by Yahoo!, amid optimism that other search services are building their services and audiences and will deliver profit growth similar to Yahoo's earnings report last week that surpassed expectations.

Yahoo surged 10 9/16 to 128 1/4, while Excite climbed 8 1/4 to 91 1/4.

U.S. bonds rose for a third day as the dollar gained against the yen, enhancing the appeal of Treasury securities to international investors.

The benchmark 30-year Treasury bond gained 8/32 to 103 20/32, and its yield dropped to 5.87 percent from 5.88 percent.

(Blomberg, AP)

## Fuji-Kodak Battle Moves to the Marketing Front

By Claudia H. Deutsch

New York Times Service

NEW YORK — Take your place, folks, the next round of the Fuji-Kodak battle is about to begin.

By now, most of the biggest retail outlets — the Wal-Mart, the Price Costcos and such — have signed up with one or both of them. The gladiators are out of international politics now that Kodak has lost its bid to force Japan to change its marketing rules, and they are sick of price wars.

So they are taking their fight to Madison Avenue. Armed with increased marketing and advertising budgets — though neither company will say by how much — both are touting products instead of the overall good-guy/bad-guy idea. Both are stressing what the marketing trade

calls "presence marketing," an attempt to associate their names and products with cultural icons.

"Presence marketing has languished here, and it's high time we rejuvenated it," said Carl Gustin, Eastman Kodak Co.'s chief marketing officer.

New York seems to have been designated as ground zero by both sides. On April 1, Kodak announced a multimillion-dollar three-year deal to become the official photographic supplier for the New York Yankees.

Kodak products and signs will be ubiquitous at Yankee Stadium — as soon as it is reopened. The stadium was closed by city officials Monday when a 500-pound (225-kilogram) concrete-and-steel beam suspended beneath the upper deck came loose and crashed into the empty seats below.

Kodak also will install digital imaging stations where fans will be able to buy prints of a home run minutes after it took place, send electronic "postcards" via the Internet or themselves morphed into the game and otherwise sample new Kodak technologies.

As part of the deal, Fuji Photo Film U.S.A.'s signs on the stadium's outfield wall will have to go; but Fuji has already erected a huge film billboard outside the stadium.

Fuji has also grabbed its own piece of quintessential New York. It has committed \$1.9 million, a big chunk of the company's overall advertising budget, to a spot on the final episode of "Seinfeld," which is scheduled to go on the air May 14 before a huge audience. Fuji's thinking is that "Seinfeld" appeals to educated young people who are

most likely to embrace new film and camera technologies.

Fuji has long played catch-up to Kodak in the United States. When Kodak turned down a chance to sponsor the 1984 Olympics, Fuji jumped in. In 1993, when the television series "Cheers" had its final episode, Fuji bought commercial time in key markets. The company's blimp flies over the U.S. Open tennis tournament. For three years, Fuji has had a float in the Macy's Thanksgiving Day Parade.

But in part because it has just started manufacturing film in the United States, the stakes for Fuji have gone up.

"We are at a crossroads in this country," said Joan Rutherford, Fuji's marketing vice president. "We have to trumpet our products and innovations more than we have."

## INTERNATIONAL FUTURES

April 16, 1998

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## INTERNATIONAL FUTURES

April 16, 1998

High Low Latest Chg Opnt

Grains

CORN (CBOT)

5,000 bu. futures, cents per bushel

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EUROPE

# Big Dividend Set for GEC And Alcatel

Compiled by The Staff From Reuters

PARIS — Alcatel Alsthom SA and General Electric Co. of Britain will draw a combined special dividend of about \$1.3 billion from GEC Alsthom before selling a majority of the joint venture in an initial public offering in June, Alcatel said Thursday.

The payment, which will be split between the French telecommunications equipment maker and the British electronics producer, will compensate for investments made since GEC Alsthom was formed in 1989, an Alcatel spokesman said.

The two companies plan to sell 52 percent of GEC Alsthom, an energy and transport-equipment company valued at about \$6.7 billion, in what is expected to be Europe's biggest initial public offering this year. The sale will free GEC Alsthom to form alliances and allow Alcatel to focus on the rapidly growing area of telecommunications hardware and GEC to participate in Europe's defense industry consolidation.

Alcatel's chairman, Serge Tchuruk, said in March that the flotation of a 52 percent stake in GEC Alsthom would take place before the end of June, market conditions permitting.

This clearly shows how both shareholders really want to streamline operations and give GEC Alsthom its independence without maintaining a pile of cash, which can better be used at parent level," said Emmanuel Dubois-Pelerin, an analyst at Standard & Poor's Corp.

GEC said in November it would use money raised from the share sale to finance acquisitions in its main businesses. Analysts expect Alcatel to use part of the money to reduce its debt, which stood at \$1.9 billion French francs (\$1.9 billion) at the end of 1997. (Bloomberg, Reuters)

# GSM Cell Phones Called Secure

Bloomberg News

LONDON — Major European mobile operators said Thursday that they would not change the security formulas used in wireless telephone services even though two researchers at a U.S. university said they had found a way to break the code that protects them.

"I don't consider what we've seen as a serious breach of security, but rather as an academic problem," said Arne Foxman, senior engineer at Tele Danmark A/S's Mobile Net.

"You need access to the global system for mobile communications card and a very large computer capacity to break the code, and even then you need to break the code for each individual GSM card."

The global system for mobile communication, or GSM, refers to the technology that is designed to prevent the "cloning" of a digital

cellular phone, or duplicating an identifying number encrypted on a card within the unit.

Italia Mobile SpA, Europe's biggest wireless telephone company, also said it had no plans to change its security code.

"GSM is secure, and we don't know of any case of successful cloning," said a spokesman, Churs Fracassi, adding, "I'm skeptical about the reports from the United States. We believe there is no danger."

Two researchers at the University of California, Berkeley, David Wagner and Ian Goldberg, reported this week that they had found a way to copy the code used to identify phone users on a GSM network. They suggested that it would not be much more difficult to listen in on encrypted digital calls.

That prompted Omnipoint Corp., a regional wireless com-

pany based in Bethesda, Maryland, to change its code, although Omnipoint said it was virtually impossible to eavesdrop on a GSM call.

The GSM Memorandum of Understanding on algorithm plans to implement new algorithms — the underlying mathematical formulas in the encryption design — this year, at which point Tele Danmark will update its security code.

The four British mobile phone operators use individually assigned algorithms, which have not been broken.

"We have our own security algorithms, rather than the basic GSM specifications, so our security code hasn't been broken," said Corinne Morris, a spokeswoman at Vodafone Group PLC, the largest British mobile phone operator.

"We are confident that we don't have a problem, because we have our own added security."

# Sweden Considers A Bond in Euros

Reuters

STOCKHOLM — Sweden said Thursday that it might issue a 2 billion euro bond next week with a parallel issue of 17 billion kronor (\$2.18 billion), creating a link with Europe's planned single currency even though Sweden will not join the currency at its outset next year.

Analysts welcomed the plan, saying the bond would make the Swedish debt market more attractive to foreigners after the start of the euro, Sweden is considering joining the common currency later.

# Reacting to French Official, Bonn Calls Euro Unsinkable

Bloomberg News

BONN — Euro-rhetoric climbed down from cinematic heights Thursday as the German government dismissed comments by the French minister, Jean-Pierre Chevènement, comparing Europe's planned single currency to the ill-fated voyage of the Titanic.

"We see these comments as a domestic political issue, not a European one," a German government spokesman said, adding that Bonn was still "convinced" of France's commitment to the currency union.

Mr. Chevènement's comments were published Wednesday in the weekly newspaper Die Woche. "The EU countries joining the single

currency must leave the EMU-ship as soon as possible," he said. "The sea is calm, the dining room great, the orchestra is playing, but when we hit the ice it'll be too late."

The German spokesman said that in the German version of the movie, the Economic and Monetary Union boat does not sink. Bonn "has no doubt" that currency union will proceed on time, with the participants recommended by the European Commission, and that the euro will be as stable as the Deutsche mark, the spokesman said.

Alison Correll of PaineWebber International in London, dismissed Mr. Chevènement's comments as "internal party politicking."

# General Cable Accepts Bid By Telewest

Bloomberg News

LONDON — Telewest Communications PLC, Britain's second-largest cable television company, agreed Thursday to buy General Cable PLC for \$915 million (\$1.54 billion) in stock, cash and assumed debt, turning up the heat in a race to dominate the British cable market.

It said it would offer 1.243 new Telewest shares and 65 pence in cash to holders of each General Cable share to create a cable operator reaching 5.8 million homes in Britain. Telewest also would assume General Cable's debt of £266 million.

The takeover is only the first of many expected acquisitions in an industry that needs to consolidate, said Alan Lyons, analyst at ABN-AMRO. British cable companies are jockeying to increase market share through acquisitions after attracting fewer customers than expected.

"What matters in this industry is size, so that you can exploit economies of scale," Mr. Lyons said. "The question now is, which of the bigger groups created by Cable & Wireless Communications and Telewest are the remaining small cable companies going to join?"

The Telewest-General Cable transaction is expected to be completed by late June, said Charles Burdick, finance director of Telewest.

General Cable's shares closed up 6 pence at 165. Telewest's shares fell 3.5 to 85.5 after rising as much as 2.2 percent.

General Cable also said its 1997 loss nearly tripled, to £83.2 million, after it bought the 50 percent stake it did not already own in Yorkshire Cable and acquired Imminis Ltd., a data-communications company. It took a one-time reorganization charge of £36.7 million.

Investor's Europe			
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40	
5400	5900	4200	
5050	5500	3900	
4700	5300	3600	
4350	5000	3300	
4000	4700	3000	
3650	4400	2700	
1997	1997	1997	
Exchange Index	Index	Index	
Amsterdam AEX	1,157.10	1,177.34	-1.72
Brussels BEL-20	3,068.29	3,082.08	-0.45
Frankfurt DAX	5,324.14	5,388.47	-1.19
Copenhagen Stock Market	768.46	768.60	-0.02
Helsinki HEX General	4,741.03	4,754.34	-0.28
Oslo OBX	767.57	768.82	-0.69
London FTSE 100	6,002.00	6,074.10	-1.19
Madrid Stock Exchange	900.06	903.26	-0.36
Nielsen MBTEL	2517.78	2517.78	-2.82
Paris CAC 40	3,845.94	3,884.61	-1.00
Stockholm SX 16	4,111.91	4,168.86	-1.37
Vienna ATX	1,500.91	1,503.15	-0.15
Zurich SPI	4,681.89	4,744.76	-1.32

# Very briefly:

- Credit Italiano SpA and Unicredit, both of Italy, agreed to a merger valued at about 19 trillion lire (\$11 billion) to help them face competition in Europe's consolidating financial industry. The merger would create a financial institution with 300 trillion lire in assets.
- British Airways PLC will replace some of its orders for Boeing 747 jetties with an order for 11 smaller aircraft valued at \$1.1 billion, signaling its concern that turmoil in Asia will crimp the industry's growth. BA said it would order five Boeing 777 jets and six 757s.
- British companies' export sales and orders slumped to their lowest level in seven years in the first quarter of 1998 because of the pound's strength, the British Chambers of Commerce said.
- Atlas Copco AB, a Swedish maker of industrial machinery, said sales rose 27 percent, to 8.1 billion kronor (\$1.04 billion) as orders rose 16 percent, to 8.40 billion kronor.
- NBC, a broadcasting unit of General Electric Co. of the United States, is expected to announce next week that it will sharply cut back its programming in Europe and Asia.
- Germany's car production climbed 20 percent from a year earlier to March, to 482,400 units.

# WORLD STOCK MARKETS

Thursday, April 16

Prices in local currencies.

Telewest

High Low Close Prev.

Amsterdam AEX index: 1157.10

Prev.: 1177.34

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ASIA/PACIFIC

# Kia Strike Becomes Militant

Seoul March Raises Fear of Broad Protest

By Don Kirk  
International Herald Tribune

SEOUL—Striking workers from the bankrupt Kia Motors Co. demonstrated Thursday in central Seoul, raising fears that their battle for their jobs could spark broad worker upheaval against a new law authorizing layoffs at unprofitable companies.

"No takeover, no takeover," several thousand workers shouted, marching in defense of the independence of Kia Motors and its subsidiary, Asia Motors. Both were placed under court receivership Wednesday and could be sold.

The International Monetary Fund called for layoffs and the elimination of unprofitable companies as a condition for the nearly \$60 billion loan package to rescue the economy. Leaders of business, unions and government agreed in January to support a law authorizing layoffs.

But the Korean Confederation of Trade Unions appears to be divided on strikes, while the Korean Federation of Metal Workers' Unions promised a prolonged struggle against any efforts to lay off workers at any automaker.

The unrest at Kia contributed to a 2.9 percent decline in the Seoul composite stock index. It closed down 13.72 points at 454.15.

The response of the Kia workers dramatized the difficulties of forcing major companies to go out of business or even to lay off unneeded employees.

Amid sagging domestic car sales, Korea's "big three" carmakers, Hyundai Motor Co., Daewoo Motor Co. and Kia Motors, have all had to do away with overtime, urge workers to go on unscheduled vacations and suggest a solution that all of them want to avoid: dismissal of workers for whom there is no real work.

Several hundred thousand workers from smaller companies have lost their jobs since December, but larger companies so far have resisted layoffs, fearing strikes.

"We cannot keep workers when we do not have enough for them to do," said a Hyundai Motor executive on condition of anonymity.

Several hours before parading through the city, about 400 Kia workers surrounded the company's headquarters in Yoido, Seoul's financial district, and vowed to defend it with iron pipes and sticks.

They prevented Yoo Chong Yul, the liquidator appointed by the court to lead both Kia and Asia Motors through a reorganization and possible sale, from entering the building.

Surrounded by menacing workers, Mr. Yoo said, "I am not an enemy of Kia Motors Co.," before retreating to his limousine.

"He is an outsider," one worker shouted, noting that Mr. Yoo is vice president of the Hyosung group.

Workers demanded that the Kia president, Park Joo Hyuk, have equal status with Mr. Yoo in leading Kia through the crisis. Kia managers and workers fear that Mr. Yoo will try to engineer a merger between Kia and Samsung Motor Co., which began producing cars last month. There have been rumors that Ford Motor Co., which owns 9.7 percent of Kia, is negotiating with both companies to form a single entity in which Ford would be the major investor.

At Kia, the immediate question was when the company's 20,000 workers would return to work.

[A union official said the strike would continue until Saturday and the government would have until April 24 to state its position on a takeover, Reuters reported.]

"Unless the government makes clear by the 24th that it will rule out a takeover of Kia Motors, we will be forced to make a serious decision," he said, without elaborating.



Striking workers from Kia Motors blocking traffic in Seoul during their demonstration Thursday.

# Hong Kong Trader Linked to Fraud

Bloomberg News

HONG KONG — A local executive was charged Thursday with 18 counts of bribery and fraud in what investigators said was the biggest case of stock-market corruption in Hong Kong's history.

Kevin Lee, 39, was allegedly at the center of a web of corrupt stock transactions involving at least four publicly traded Hong Kong companies, according to the territory's Independent Commission Against Corruption.

Mr. Lee, a former managing director of Rockefeller & Co. (Far East), was charged in court and released on bail and guarantees totaling 7 million Hong Kong dollars (\$903,000) and on a promise to surrender his passport and to report to the commission every two weeks. He could face a maximum of about 10 years in prison.

The commission, which has broad powers to tap telephones, examine bank accounts and detain suspects,

did not rule out expanding its investigation or charging others.

The agency charged that Mr. Lee had received about 60 million dollars in bribes for buying shares with his employer's money and for selling shares for less than their fair market value.

Mr. Lee's lawyer, Yolanda Fan, said he had already paid Rockefeller & Co. between \$5 million and \$6 million as part of a civil settlement. The scale of Mr. Lee's alleged actions eclipsed the \$70,000 dollars of profit involved in a stock-exchange scandal in 1990 in which the Hong Kong Stock Exchange's chairman, Ronald Li Foo-shu, was eventually sentenced to four years in prison.

Mr. Lee also was charged with bribing Eddie Taw Cheng-kong, former regional manager of the Government of Singapore Investment Corp. Mr. Taw was convicted in Singapore last year on eight corruption counts and sentenced to nine years in prison.



Kevin Lee leaving a Hong Kong court Thursday after posting bail.

Bernard Ryan, the government lawyer prosecuting the case, said it would be at least a year before Mr. Lee's case went to trial if he chose to plead not guilty. Mr. Lee's next court appearance is scheduled for June 11.

# Templeton Hires Tose Of Peregrine

Bloomberg News

HONG KONG — Philip Tose, who built Peregrine Investments Holdings Ltd. into the No. 1 underwriter of Asian stocks only to watch his firm collapse, was hired by Templeton Franklio Investment Services (Asia) Ltd. to scout for investments.

"It's a question of getting on with my life," said Mr. Tose, 52, whose Hong Kong firm failed in January.

Mr. Tose, a friend of Mark Mobius, the president of the \$15 billion Templeton Emerging Markets Fund, said he would focus on finding investments in Asian companies that were not publicly traded.

As chairman of Peregrine, Mr. Tose was one of Hong Kong's top deal-makers and cultivated ties with many of the territory's executives.

Those contacts may be valuable at Templeton, where Mr. Tose will report directly to Charles Johnson, its president. Mr. Mobius was traveling and unavailable for comment.

Templeton was among those that lost money when Peregrine went under. Various Templeton funds owned a total of about 10 percent of Peregrine's shares, valued at about 1.2 billion Hong Kong dollars (\$154.8 million). In 1997, Templeton was unlikely to recover that investment.

Mr. Mobius spoke in Peregrine's defense when the firm began to falter and said in January, "If the region had not gotten so bad, they probably would have pulled it off."

Other Peregrine executives have already found new jobs.

Francis Leong, who co-founded Peregrine with the British-born Mr. Tose, now directs BNP Peregrine PrimeEast Ltd., the Asian securities unit of Banque Nationale de Paris.

Until now, Mr. Tose had continued to report to Peregrine's old offices, now nearly empty after the January shutdown.

"The liquidation procedure for Peregrine has now got to a relatively advanced stage, in so much as I can help," Mr. Tose said. "Obviously I will continue to help the liquidators however I can, but most of the company stuff is already done now."

# Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
13000	2000	17000
12000	1800	16000
11000	1600	15000
10000	1400	14000
9000	1200	13000
8000	1000	12000
1997	1997	1997
Exchange Index	Thursday Close	Prev. Close
Hong Kong Hang Seng	11,187.78	11,371.05
Singapore Straits Times	1,515.15	1,543.94
Sydney All Ordinaries	2,881.49	2,870.50
Tokyo Nikkei 225	15,883.77	16,229.30
Kuala Lumpur Composite	629.34	644.62
Bangkok SET	431.63	446.13
Seoul Composite Index	454.15	467.87
Taipei Stock Market Index	8,780.21	8,807.31
Manila PSE	2,184.55	2,210.57
Jakarta Composite Index	5,106.88	5,134.45
Wellington NZSE-40	2,335.82	2,328.00
Bombay Sensitive Index	4,134.32	4,192.50

# Very briefly:

- Mitsubishi Motors Corp.'s three former executives who were convicted of making illegal payoffs to a corporate racketeer were given suspended prison sentences.
- Daewoo Group plans to sell a 50 percent share in a \$1.3 billion power-plant project in India to Asea Brown Boveri Ltd., a Swiss-Swedish conglomerate.
- Toyota Motor Corp. said it would shut down its factory in Melbourne next week if it could not get spare parts because of a strike at Australian ports. The company said it might have to temporarily lay off 2,500 workers and could lose \$2.6 million a week if the lockout continued.
- China's first-quarter economic growth trailed the government's target of 8 percent for all of 1998. State Statistics Bureau officials said; they did not release figures. AFP/AP

# Yamaichi Blames Ministry Official

Agence France Press

TOKYO — Yamaichi Securities Co. accused a Finance Ministry official Thursday of having advised it to hide the losses that later were blamed for the collapse of the brokerage.

Yamaichi said in a report that in January 1992, Nobuhiko Matsuno, former head of the ministry's securities bureau, advised its executives to transfer to overseas units losses related to so-called *tobashi* trades, which involve helping favored clients avoid reporting losses. Such trades were outlawed in 1992. Mr. Matsuno has acknowledged knowing about the losses but denies having told Yamaichi to hide them.

# FORD: High-End Trucks, Big Bucks

Continued from Page 13

automakers as Ford and Chrysler Corp. that have bet their futures on light trucks. Federal safety regulators have criticized the industry in the last two months for producing bigger and taller light trucks that inflict more damage during crashes, and the industry may be hurt if new regulations are issued.

Ford is betting that sport-utility vehicles and pickups will stay popular and gas prices will not rise much. Mr. Trouman predicted "an extended period of low air-the-pump prices."

All the big automakers, of course, have cashed in on the public's insatiable demand for pickups and sport-utility vehicles, but Ford has zeroed in on this trend most decisively.

Not only has Ford jettisoned its heavy-truck business, it has also dumped a half-dozen unprofitable car models, including the Thunderbird, Probe and Aspire; another, the Lincoln Mark VIII, will go out of production this summer.

Yet Ford has largely held on to its 25 percent market share in the United States, as sales of large vehicles take up the slack.

Ford's success shows how an industrial giant can lift profits in a flat market. With GM and most Japanese automakers spinning their wheels, Ford has a cash hoard of more than \$20 billion to invest. With rebates and other incentives on cars and light trucks growing, Ford has cut costs faster.

Two years ago, many on Wall Street and in the media were saying that Ford had designed new models, including sport-utility vehicles and pickups, to be so luxurious that few Americans could afford them. The main evidence lay in weak sales of the Taurus sedan,

which rose \$1,000 in price when Ford redesigned it in 1995 and which has since lost its leadership position in midsize car sales to the Toyota Camry.

But big, high-priced vehicles have turned into the hottest segment of the market. Despite price tags of \$30,000 to \$40,000 or more, Ford's light trucks account for almost three-fifths of its domestic sales.

Its most expensive sport-utility, the Expedition and the similar Lincoln Navigator, have been its most profitable. While automakers do not release profits by model, analysts estimate that Ford is earning a pretax profit of \$2.2 billion on annual sales of \$9 billion worth of Expeditions and Navigators.

"It's really remarkable how in this market, a few good models can make such a difference," said Maryann Keller, an auto analyst at Funnman Selz.

"The Expedition was a brilliant stroke of genius — it makes a fortune."

When environmental questions surfaced last year about the contribution these vehicles make to urban smog, Ford's sophisticated engines helped to make it the only large automaker able to promise that its full range of sport-utilities would be roughly as clean as cars by this autumn. While federal regulators are examining the dangers that these oversized vehicles pose to other drivers, Ford also appears to be further along than its rivals in working on solutions, announcing, for example, that it would offer side air bags in all its cars within three years.

Ford's shift from low-profit cars to high-profit sport-utility vehicles has also insulated it from Asian competition. While the dollar has soared against the Japanese yen and the South Korean won, making it cheaper for

# High-Margin Sales Bolster Ford Profit

Continued from Page 13

DEARBORN, Michigan — Ford Motor Co. said Thursday that its first-quarter profit rose 15 percent, to \$1.69 billion, as cost-cutting and increased sales of high-profit sport-utility vehicles offset a decline in sales.

The No. 2 U.S. automaker behind General Motors Corp. said revenue fell 2 percent, to \$36.6 billion, reflecting rising rebates and other incentives in North America and a sales slump in South America. Ford cut costs by \$400 million.

Profit from North American auto operations fell by about 1 percent, to \$1.01 billion, as U.S. sales fell 5.1 percent and the company's marketing expenses, including rebates and discounted leases, rose to 10.9 percent of revenue from 9.4 percent. Ford said its U.S. market share during the first quarter was 24.5 percent, down from 25.1 percent a year earlier.

In Europe, despite intensifying competition from Asian automakers that are increasing their presence on the Continent, Ford earned \$230 million, up from \$105 million. The company maintained its European market share of 11.5 percent. (AP, Bloomberg)

foreign automakers to sell vehicles in the United States, overseas production of full-size pickups and sport-utilities is negligible. High taxes have driven up the price of gasoline in most industrialized countries, so the main market for huge vehicles is the United States.

# PRIVATE: U.S. Policy on Encryption Is Faulted

Continued from Page 13

and a solid encryption policy were essential if electronic commerce were to realize its full potential.

Mr. Daley's blunt comments marked the first public acknowledgment that the Clinton administration's encryption policy had failed. His remarks also echoed what the industry has contended for years — that non-U.S. companies are rapidly taking over the high-demand market for products that protect the privacy of communications.

The U.S. software industry is prohibited from exporting strong encryption programs, which scramble data in ways that make it difficult or impossible for unauthorized people — including law-enforcement agencies — to decode. Such software is essential to electronic commerce, which requires that credit-card information and other private data be encrypted when products are ordered via the Internet.

The industry has long contended that the export rules put U.S. companies at a great disadvantage relative to competitors who are not under such restrictions.

But Mr. Freeh and the National Security Agency say that the threat of terrorists and other criminals scrambling data to thwart law enforcement is so great that the export restrictions should be removed only if the police are given keys to unlock encrypted data.

At the end of 1997, Mr. Daley said, an estimated 656 encryption products were being

produced in 29 countries outside the United States.

Products from Germany, Ireland, Canada, Israel and Britain can compete with anything made in the United States, he said, and can meet the needs of the world's computer networks.

"Our policy, ironically, encourages the growth of foreign producers at the same time it retards growth here," Mr. Daley said. He called for dialogue between industry and law enforcement but stopped short of saying that Mr. Clinton's administration would withdraw its support of the FBI and National Security Agency position.

"The cost of our failure will be high," Mr. Daley said. "The ultimate result will be foreign dominance of the market. This means a loss of jobs here and products that do not meet either our law-enforcement or national-security needs."

Mr. Daley declined to offer examples of what the administration might be willing to give up to reach an agreement.

Some industry officials, however, said there was no room for compromise.

Harris Miller, president of the Information Technology Association of America, said companies were willing to continue discussions with the Clinton administration. But he asserted that government officials "think compromise is something in the middle." In reality, he said, "Sometimes compromise is found outside of the box."

He added: "Law enforcement has legitimate concerns. What we disagree with is their demand for unlimited access."

# FL TRUST ASIA

Société d'Investissement à Capital Variable - SICAV  
26, avenue Monterey  
L-2163 LUXEMBOURG

Shareholders are hereby convened to attend the Statutory General Meeting of the Shareholders, which will take place at the company's registered office in Luxembourg on April 30th, 1998 at 11:00 for the purpose of considering and voting upon the following points:

1. Reports of the Board of Directors and of the Independent Auditor.
2. Approval of the Financial Statements made-up as of December 31, 1997.
3. Discharge to the Directors and to the Independent Auditor.
4. Statutory Appointments.
5. Miscellaneous.

Resolutions on the agenda of the Statutory General Meeting will require a majority of the votes cast by the shareholders present or represented.

Shareholders who cannot attend the meeting are invited to send a proxy to the registered office to arrive not later than April 23, 1998. Proxy forms will be sent to registered shareholders. Proxy forms may also be obtained from the registered office.

The owners of bearer shares will have to deposit their shares five clear days before the meeting at either:

- BANQUE FERRIER LULLIN (LUXEMBOURG) S.A.  
26, avenue Monterey, L-2163 Luxembourg
- FERRIER LULLIN & CIE S.A.  
13, rue Pictet, CH - 1211 Genève 11
- SWISS BANK CORPORATION  
One Exchange Square, 25th floor, 8, Caninaught Place, Hong Kong

THE BOARD OF DIRECTORS

ARGENTINE REPUBLIC

## THE MINISTRY OF JUSTICE

Department of Penitentiary Policy and Social Readaptation

### NATIONAL AND INTERNATIONAL PUBLIC BID No. 03/98

**PURPOSE:** To draft plans for and to build a prison complex, using the "turnkey" system. The construction shall be fully financed by the Contractor, at his own risk. The complex shall be built on property located in AGOTE, District of MERCEDES, Province of Buenos Aires, which the FEDERAL GOVERNMENT shall turn over in fiduciary ownership. The complex shall be subsequently leased to the Federal Government with an option to purchase, for use by the Federal Prison Service.

Interested parties may obtain the relevant documentation from the Dirección General de Mantenimiento y Obras Penitenciarias, located at Sarmiento 327/329, 4th. floor, Buenos Aires, Argentina. The price of the bid specifications is USD 50,000. (Fifty thousand U.S. dollars) and this amount must be deposited, prior to obtaining this documentation, at the Departamento de Tesorería, located on the 1st. (ground) floor at the same street address. These offices will be open to the public from April 20th, 1998 to May 19th, 1998 from 10:00 a.m. to 4:00 p.m.

Offers will be received at the headquarters of the Ministry of Justice, Sarmiento 327/329, 11th. floor, Buenos Aires between 10:00 a.m. to 4:00 p.m. until September 8th, 1998 and shall be opened on that date, at 5:00 p.m.

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THE WORLD'S DAILY NEWSPAPER







NASDAQ

Thursday's 4 P.M.  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
The Associated Press.

12 Month	Stock	Div Yld	PE	100 High	Low	Latest	Chg
12	IBM	4.8	15.5	100.00	98.00	99.00	+1.00
12	Microsoft	3.2	18.0	100.00	98.00	99.00	+1.00
12	Apple	2.5	16.0	100.00	98.00	99.00	+1.00
12	Oracle	3.5	17.0	100.00	98.00	99.00	+1.00
12	Sun	4.0	16.0	100.00	98.00	99.00	+1.00
12	HP	3.8	15.0	100.00	98.00	99.00	+1.00
12	Motorola	3.0	14.0	100.00	98.00	99.00	+1.00
12	Intel	2.8	13.0	100.00	98.00	99.00	+1.00
12	Cisco	2.2	12.0	100.00	98.00	99.00	+1.00
12	Northern Telecom	1.8	11.0	100.00	98.00	99.00	+1.00

12 Month	Stock	Div Yld	PE	100 High	Low	Latest	Chg
12	Alcatel	1.5	10.0	100.00	98.00	99.00	+1.00
12	Lucent	1.2	9.0	100.00	98.00	99.00	+1.00
12	WorldCom	1.0	8.0	100.00	98.00	99.00	+1.00
12	Sprint	0.8	7.0	100.00	98.00	99.00	+1.00
12	Verizon	0.6	6.0	100.00	98.00	99.00	+1.00
12	AT&T	0.5	5.0	100.00	98.00	99.00	+1.00
12	Qwest	0.4	4.0	100.00	98.00	99.00	+1.00
12	Southwest	0.3	3.0	100.00	98.00	99.00	+1.00
12	Delta	0.2	2.0	100.00	98.00	99.00	+1.00
12	American	0.1	1.0	100.00	98.00	99.00	+1.00

12 Month	Stock	Div Yld	PE	100 High	Low	Latest	Chg
12	United	0.1	1.0	100.00	98.00	99.00	+1.00
12	Continental	0.1	1.0	100.00	98.00	99.00	+1.00
12	Delta	0.1	1.0	100.00	98.00	99.00	+1.00
12	American	0.1	1.0	100.00	98.00	99.00	+1.00
12	Southwest	0.1	1.0	100.00	98.00	99.00	+1.00
12	Qwest	0.1	1.0	100.00	98.00	99.00	+1.00
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12	AT&T	0.1	1.0	100.00	98.00	99.00	+1.00
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12	Southwest	0.1	1.0	100.00	98.00	99.00	+1.00
12	Delta	0.1	1.0	100.00	98.00	99.00	+1.00
12	American	0.1	1.0	100.00	98.00	99.00	+1.00

NYSE

Thursday's 4 P.M. Close  
(Continued)

12 Month	Stock	Div Yld	PE	100 High	Low	Latest	Chg
12	IBM	4.8	15.5	100.00	98.00	99.00	+1.00
12	Microsoft	3.2	18.0	100.00	98.00	99.00	+1.00
12	Apple	2.5	16.0	100.00	98.00	99.00	+1.00
12	Oracle	3.5	17.0	100.00	98.00	99.00	+1.00
12	Sun	4.0	16.0	100.00	98.00	99.00	+1.00
12	HP	3.8	15.0	100.00	98.00	99.00	+1.00
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12	WorldCom	1.0	8.0	100.00	98.00	99.00	+1.00
12	Sprint	0.8	7.0	100.00	98.00	99.00	+1.00
12	Verizon	0.6	6.0	100.00	98.00	99.00	+1.00
12	AT&T	0.5	5.0	100.00	98.00	99.00	+1.00
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12	Delta	0.2	2.0	100.00	98.00	99.00	+1.00
12	American	0.1	1.0	100.00	98.00	99.00	+1.00

12 Month	Stock	Div Yld	PE	100 High	Low	Latest	Chg
12	United	0.1	1.0	100.00	98.00	99.00	+1.00
12	Continental	0.1	1.0	100.00	98.00	99.00	+1.00
12	Delta	0.1	1.0	100.00	98.00	99.00	+1.00
12	American	0.1	1.0	100.00	98.00	99.00	+1.00
12	Southwest	0.1	1.0	100.00	98.00	99.00	+1.00
12	Qwest	0.1	1.0	100.00	98.00	99.00	+1.00
12	Verizon	0.1	1.0	100.00	98.00	99.00	+1.00
12	Sprint	0.1	1.0	100.00	98.00	99.00	+1.00
12	WorldCom	0.1	1.0	100.00	98.00	99.00	+1.00
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12	Delta	0.1	1.0	100.00	98.00	99.00	+1.00
12	American	0.1	1.0	100.00	98.00	99.00	+1.00



When he was still ruling Cambodia, the Khmer Rouge was the state campaign of killing.

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# Herald Tribune SPORTS

FRIDAY, APRIL 17, 1998

PAGE 20

## WORLD ROUNDUP

### Favorites Fall

**TENNIS** Alex Corretja, the No. 2 seed, and defending champion Albert Costa lost Thursday in the Conde de Godo Open in Barcelona. Corretja lost, 4-6, 6-1, 6-2, to Andre Gaudenzi of Italy. Costa was overpowered by the forehand of a fellow Spaniard, Alberto Berasategui, 6-4, 6-4.

Berasategui next plays top seed Yevgeni Kafelnikov. The Russian beat Quino Munoz, a Spaniard, 7-6 (7-3), 3-6, 6-1. (AP)

### A Hole in One Helps

**GOLF** David Lynn, an Englishman, shot a hole in one, and Jeev Singh of India eagled the 18th as both men were part of a four-way tie at the end of first round of the Carnes Open on Thursday. Robert Allenby of Australia and Jeff Rensmy of France were the other two leaders with 67, four under par.

Lynn, who has missed the cut four times in his six previous tournaments, holed in one at the 155-yard fifth. (AFP)

### Fred Davis Dies at 84

**SNOKER** Fred Davis, 84, the former world snooker and billiards champion, died Wednesday.

Davis was world champion eight times from 1948 and also captured the World Billiards Championship twice in the same year, 1980, the second time at the age of 67. His older brother Joe was World Snooker Champion for 20 years.

"Joe was the greatest player in terms of ability, but I always said Fred was the greatest match-player ever," said John Pullman, the snooker world champion from 1964-68.

Davis died in his sleep at his mountainside farm in north Wales, the World Professional Billiards and Snooker Association said. (Reuters, AP)

### Golf Thefts on the Rise

**GOLF** Police and golf shop owners in the United States have reported that designer golf clubs, particularly Ely Callaway's titanium drivers, have become the targets of gangs of thieves.

The police in four Southern states say that in the last two months an organized gang has broken into about 25 golf discount stores, smashing windows and grabbing a total of some 1,500 Callaway drivers and other woods.

Police have reported Callaway thefts in Georgia, Florida, Alabama, Tennessee, Texas, Nevada, California, Colorado and Massachusetts.

Callaway's Great Big Bertha retails for up to \$400, the Biggest Big Bertha goes for \$450. But the clubs can sell for more than \$1,000 in Asia, the police said. Callaway does not put serial numbers on its clubs. (NYT)

## Madrid vs. Juventus: A Future Cup Classic?

We Could (at Last!) See an Exciting Final

By Peter Berlin  
International Herald Tribune

**MONACO**—Two true titans of club soccer will meet in a European final for the first time in the Champions Cup on May 20.

Juventus of Turin and Real Madrid both advanced with a little to spare in their semifinals Wednesday night. The final, the showpiece of the European club season, has often been a dreary disappointment, but if the two finalists live up to current form and past pedigree, the final in Amsterdam could be a glittering exception.

Real advanced, 2-0 on aggregate, after a gripping 0-0 draw against Borussia Dortmund, the reigning champion, in Dortmund. Juventus lost, 3-2, in an exciting match in Monaco but advanced, 6-2 overall.

Juventus has won more matches in European club competition than any other team—165—and Real Madrid is second. Between them, the two clubs

to 1996 averaged one goal apiece; in Real Madrid's six victories, the losing teams averaged better than that.

But the last two weeks have offered some hope. Real Madrid is built to attack. The match Wednesday night in Dortmund was a fine demonstration that soccer matches do not need goals or a winner to be exciting and satisfying.

Meanwhile, in Monaco, the two teams produced an astonishing 32 goal attempts between them. A month earlier, Monaco had shared a tedious 0-0 draw with Manchester United in the first leg of the quarterfinal, confident that it could score one goal in Manchester, which it did.

On Wednesday, trailing 4-1 from the first leg, the Monegasques gambled. Jean Tigana, the coach, played three strikers. Marcello Lippi, the Juventus coach, finding the odds in Monaco in his favor, gambled too. He knew that if his team lost 3-0 it would be eliminated because Monaco had scored a goal in Turin. If Juve lost 4-1 the game would go to extra time and then penalties, and if it lost 5-2, it would go through because it had more away goals. So Juventus attacked too.

The two men who made Lippi's gamble pay were Angelo Peruzzi, his goalkeeper, and Alessandro Del Piero, the top scorer in the competition this year. After 14 minutes, Del Piero swerved past Djibril Diawara on the edge of the Monaco penalty area and then passed to Nicola Amoroso, so neatly that it seemed the substitute had to do was stand still so the ball could hit his foot and carom into the net. An hour later, Del Piero volleyed a cross from Moreno Torricelli past Fabien Barthez to give Juve its precious second goal.

Heynckes should spend a lot of time in the next month studying a video of what happened between those two strikes. Monaco carved the Juventus defense apart: on the left, on the right, through the center, on the ground and in the air. Time and again, Peruzzi saved his team—most spectacularly when little Ali Benarbia was allowed an unimpeded flying header from just three meters a minute before halftime.

Monaco scored three times, and on another night or against another goalkeeper, the team would have scored the five goals they needed.

"It is not normal to have three goals against us," said Zinedine Zidane, the Juventus midfielder.

The Champions Cup has had far too many normal finals. With luck, both Juventus and Real Madrid will have another abnormal night in Amsterdam.

### Israel Shocks Argentina, 2-1

Israel upset Argentina, one of the World Cup favorites, 2-1, in an exhibition match Wednesday. The Associated Press reported from Jerusalem.

In the 67th minute, Yossi Abuech of Israel was sent off by Israel leading 1-0. Argentina immediately scored to make it 1-1. But Haim Raviv scored the winner in the 83rd minute.

Shlomo Shari, Israeli coach, said it was "a historic victory."



GOING THOUGH — Jonathan Akpoborie, a Stuttgart striker, cutting through the Lokomotiv Moscow defense in the second leg of a semifinal of the European Cup Winners Cup in Moscow. Akpoborie set up the only goal of the match, scored by Fredi Bobic in the first half, as Stuttgart won 1-0 Thursday and 3-1 overall.

## SWIFT: Uphill Race for Kenyans, as U.S. Sponsors Change Rules

Continued from Page 1

recently announced it would stop giving prize money altogether.

The growing hostility toward foreign competitors has disillusioned runners like Godfrey Kiprotich, 31, whose race earnings support his family of 10.

Reached by telephone in Kenya's Rift Valley, where he was preparing for the 10-kilometer Twosome in New York's Central Park on April 25, Kiprotich said, "Last year, I won a race and got \$2,500. The first American far behind me got \$5,000. How can the American be motivated to run better?"

American distance runners, once a world force, are divided about the wisdom of excluding foreign runners or reducing their prizes. But no one disputes the reality at the heart of the debate.

"The current crop of Kenyans are the best distance runners the world has ever seen," said Keith Brantly, a 1996 American Olympic marathoner, who this month finished ninth behind eight Kenyans in the North Cherry Blossom 10-mile race in Washington. "They are not only slaughtering the Americans, they are slaughtering everybody."

But while Kenyans have also won races in Europe, Asia and South America, there are no special preferences given elsewhere to runners from the host countries.

Kenyans' men's domination, which has intensified in recent years, has already had a profound impact on the sport in the United States. It has contributed to the formation of two different American circuits. One is the Professional Road Racing Circuit, of which Boulder has been a part, and which offers prize money to all runners, but draws few Americans. The other is the USA Circuit, which awards prize money almost exclusively to Americans and draws few foreigners.

American runners and some race directors argue that the Kenyans stop

young American runners from earning a living and fully developing their talent. The Kenyans come to America for brief periods, returning to their homeland with sums that go a long way in a nation with a per capita annual income of \$280.

"It's pointless for me to run on the pro circuit," said Mike Mykytyk, 27, the U.S. 10,000-meter champion in track and field. "With all the Kenyans, I could set a personal best time, still only place 12th and win \$200."

In response, road racing events have increasingly switched to the USA Circuit, where the prize money is chiefly awarded to American participants.

And many of those races that continue to award open prize money, including some on the formal Professional Road Racing Circuit—which will offer a total of \$397,000 in prize money this year—have begun giving bonuses to Americans for a top-10 finish or awarding money to top Americans irrespective of how they run.

At last summer's Harvard Pilgrim Falmouth Road Race on Cape Cod, Mykytyk earned a \$4,000 bonus as the first American to finish despite placing only 11th.

"We're not limiting opportunities for foreigners but creating opportunities for Americans," said Craig Masback, executive director of USA Track & Field. Julia Emmons, director of the 10-kilometer Peachtree Road Race in Atlanta, said: "Protecting American runners only leads to weaker and weaker performances. There's something deeply wrong with the American system. We haven't produced a champion since Alberto Salazar in the early '80s. We're a laughingstock."

Event organizers have complained that they do not satisfy the public relations demands of the events, which include media interviews and appearances.

Journalists were saying to us,

"Look, we don't have a story on Boulder Boulder anymore. We don't know who the Kenyans are. They can't talk to us," said Reef, the director of the 38,000-person Boulder race.

When in 1994 Kenyan success became too much for organizers at the Gate River 15-kilometer run in Jacksonville, the event became the first to limit prizes only to Americans. Doug Alred, the director of the Jacksonville race, said the post-race interview of Todd Williams, the American winner of the race last month, favorably contrasted with the impassive responses of previous Kenyan winners.

"At the end of a TV interview shown throughout the state," Alred said, "Todd said, 'I love Jacksonville, and I love Gate!'"

Another event nearby, the Gasparilla Distance Classic 15-kilometer run in Tampa with 13,000 participants and NationsBank as chief sponsor, will no longer award prize money beginning in 1999. Race officials said they wanted to donate the money to charities.

But Brantly, the last American to win Gasparilla in 1989, suggested otherwise.

"The area is steeped in attitudes of the Old South," said Brantly, who lives in Fort Lauderdale, Florida. "Do you think if a white American runner had won the last few years, they'd be cutting prize money?"

Lisa Buser, who manages a roster of 15 Kenyans based in the Philadelphia area, said Kenyan runners often conducted popular clinics at the races. And Mark Wetmore, the agent for Hezron Otwor, the 22-year-old Kenyan who won last year's race in Boulder and the \$10,000 prize, said Otwor would run again despite the race's limits on the Kenyans. He was less sure whether he would satisfy the frustrated organizers. "Hezron's a nice, friendly guy," Wetmore said. "But he doesn't pick up a microphone and do stand-up."

## Belfour's 44 Saves Make Dallas No. 1 in West

The Associated Press

Ed Belfour made 44 saves in a spectacular performance as the Dallas Stars beat the Detroit Red Wings, 3-1, to clinch the top spot in the Western Conference and home ice through the first three rounds of the playoffs.

Meanwhile, the Edmonton Oilers and San Jose Sharks became the final two teams to clinch playoff berths, completing the 16-team field. Even before

### NHL ROUNDUP

their 5-3 victory over Anaheim on Wednesday, the Oilers were handed a berth in the West when Chicago was beaten, 3-2, by Toronto.

The Sharks then clinched a spot with a 3-3 tie with Calgary, officially eliminating the Blackhawks for the first time in 29 years. Their 28-year playoff streak was the longest current streak in the National Hockey League.

In Dallas, the Stars clinched the No. 1 seed in the West for the playoffs, which start next week. The Stars beat Detroit for the first time in five tries this season despite being outshot 45-16.

"We had two things we had to accomplish, which was win home ice and beat Detroit," said Derian Hatcher, the Stars defenseman.

Ken Hitchcock, the Stars coach, said:

"We've now beaten all the teams in our conference, and that was what the guys talked about in the locker room."

The Dallas penalty-killing unit stopped seven Detroit power plays. Hatcher gave a dominating physical performance in the Dallas defense.

**Sharks 3, Flames 3** In Calgary, Jeff Friesen scored his sixth short-handed goal and added an assist as San Jose clinched a playoff spot for the first time in three years. The Sharks, unbeaten in seven games, are eighth in the Western Conference, two points behind Edmonton.

**Oilers 5, Mighty Ducks 3** Edmonton overcame a two-goal deficit with three power-play goals against visiting Anaheim. Anaheim and Edmonton were tied 2-2 late in the second period when news of the Toronto result came through.

**Maple Leafs 3, Blackhawks 2** In Toronto, Felix Potvin made 34 saves as the Maple Leafs ended the Blackhawks' playoff streak.

**Devils 5, Sabres 4** Scott Stevens scored on a slap shot with 21.7 seconds left in overtime to lead New Jersey over visiting Buffalo. The Devils trail the Stars by one point in the overall standings.

**Penguins 5, Lightning 1** Jaromir Jagr, reunited with his line-mates Ron Francis and Stu Barnes, assisted on goals by



Pavel Bure of the Canucks trying to get past the Kings' Yanic Perreault.

both and scored his 300th as host Pittsburgh beat Tampa Bay to end a four-game winless streak.

**Braves 6, Canadiens 2** Tim Taylor scored two goals, including a penalty shot in the first period as Boston won in Montreal.

**Kings 2, Canucks 1** Jamie Storr made 31 saves for his second shutout of the season as Los Angeles won in Vancouver.

**Rangers 4, Islanders 2** Alexei Kovalev scored a goal and assisted on two others and rookie goalie Dan Cloutier stopped 29 shots to lead the Rangers over the Islanders.

## On a Roll, Casino Team Turns a Corner

By Samuel Abt  
International Herald Tribune

**PARIS**—Some day the Harvard and Stanford business schools will drop their case studies of IBM and Chrysler and concentrate on a really major turnaround: the Casino bicycle team.

"We've grown well, really developed in the last two years," said Vincent Lavenue, the French team's director of sports. "It's gratifying to gather the fruits of what you've planted."

Two years ago, when the team was still Petit Casino, the two of spades, little casino, it ranked 27th in the world in the computerized listing of its riders' performance points. There weren't many, reflecting its annual budget of \$2 million and its victory total, which could be counted on the fingers of one hand, thumb and pinkie excepted.

Last year the sponsor changed—out went Petit Casino, a chain of coffee bars in supermarkets, and in came the unqualified Casino, the supermarkets themselves, the 10 of diamonds. The budget nearly tripled, and Lavenue began recruiting riders with enough points to make the team eligible to move from the second division to the big leagues.

He did not go on a binge. The 42-year-old team manager looked for the same sort of dependable, striving, hungry rider he was himself a decade earlier.

In came Pascal Richard of Switzerland, the Olympic road race champion in At-

lanta, to give Casino credibility and his performance points. He was followed by such workhorses as Alberto Elli, Marco Salgari and Rodolfo Massi, all Italians, Rolf Jaermann, another Swiss, and Stephane Barth, a French neoprofessional.

Did it work? Roll over laococca and tell Gerstner the news.

Although its leader, Richard, missed most of the season with injuries, Casino won 26 races last year, vaulting into seventh place in team standings. Elli was second in the esteemed Milan-San Remo classic and first in the Midi Libre stage race; Barth won the French championship; Christophe Agnoluto, a French holdover from the Petit Casino days, won the Tour of Switzerland, and Jean Kirsipuu, an Estonian and another holdover, won Cholet-Pays de Loire and the Vendee Classic.

Assisted by four intensive training camps during the winter, Casino can say that this season is going even better. When its latest big recruit, Bo Hamburger, a Dane, won the Fleche Wallonne on Wednesday, he pushed Casino's victory total this season to 25.

And it's only mid-April in a season that runs to October. Even Mapei, the Death Star of professional bicycle racing teams, cannot approach Casino's total.

But for every apple, it seems, there is a worm. Mapei riders have won such major races as the Tour of Flanders, Paris-Roubaix and Paris-Nice. Next to those, Casino's triumphs in the Tour of Calabria, Cholet-Pays de Loire and the

Circuit de la Sarthe fade.

Lavenue knows this. The Tour of Calabria! The Circuit de la Sarthe! He has his eyes on a victory in the World Cup series of spring and fall classics. Win one of them and walk with the giants. Cholet-Pays de Loire? Paris-Roubaix!

"We're confident that we can do well in a World Cup race," Lavenue said before Paris-Roubaix last Sunday. "We need to. It's good to win smaller races; we have 22 riders, and races like the Grand Prix de Rennes, the Coupe de France, are important to us. You can't neglect them, especially for your young riders."

"If you want to win races, you've got to enter them. You've got to be at all the races."

It's difficult, though, to make the leap from the Coupe de France to the World Cup. Alberto Elli was the highest-placed Casino in Milan-San Remo, 10th, and in the Tour of Flanders, 41st. In Paris-Roubaix, nobody on the team made it higher than 47th.

This Sunday the World Cup race is Liege-Bastogne-Liege, and Richard would be a favorite, since he won it in 1996. But he has been slow to mend from injuries last season and this. Off his victory in the Fleche Wallonne, Hamburger should be dangerous if his legs have two strong races in them in five days.

Who else? "We have at least five riders who are capable of being at the front," Lavenue says. "Five? Maybe six. Last year, everybody rode well, but this year we've really exploded."

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## POSTCARD

## A Prodigal Son Returns

By Jim Yardley  
New York Times Service

NEW YORK — For the first time in 43 years, Dale Bell met with his brother Arthur on Wednesday. He had last seen him in 1955, then a tall and lean man, elegant in a black turtleneck. Now the old man before him stood shakily with a walker. But it didn't matter.

"The prodigal son has come home," Dale Bell said of the emotional meeting.

The reunion marked another remarkable chapter in the unlikely life of Arthur Bell, who until last month was another anonymous homeless person on the streets of New York. But after paramedics delivered him to a Brooklyn hospital, a social worker discovered that he had been one of the first black ballet dancers in New York City. A flurry of news articles caught the attention of Bell's long-lost family in Florida and led to their reunion.

"It's a mind blower," said Arthur Bell, 71. "I'm not alone anymore."

Dale Bell, 51, and his wife, Henri Mae, spent about two hours in a private meeting with Arthur at a nursing home in Queens before appearing at a news conference. Unlike his five sisters, who live in the Tampa area, Dale Bell lives in New Rochelle, New York, where he works as a computer analyst. The two brothers (two other brothers are dead) last saw each other when Dale was 9 and Arthur had returned to Tampa to visit their ill father.

"You look like mother!" Dale Bell exclaimed when he saw his brother Wednesday.

"You look like father!" Arthur Bell answered.

In reacquainting himself

with his brother, Dale Bell said he did not ask how Arthur had gone from dancing in New York and Paris during the 1940s and '50s to becoming homeless in 1998. Physicians at Kings County Hospital had diagnosed dementia as an explanation for Arthur Bell's memory loss. Though he can recall precise details of his different ballet performances, his recent memories are very vague.

Dale Bell said his brother left Florida for New York before turning 20 because their parents — the father a Pentecostal minister, the mother a missionary — did not approve of dancing as a career.

"Dancing for a living, unless you were doing it for God, it wasn't something you would do," Dale Bell said. "But he felt strongly about it enough that he left."

Dale Bell said he had loosely kept tabs on his brother through an aunt who lived in Brooklyn. But when she died in 1974, contact was severed. When Dale Bell moved to New York in 1975, he said he often stared into the faces of strangers and homeless people, looking for a glint of recognition. He called the Social Security Administration but turned up nothing.

Now, he said, he and his wife were planning to take Arthur on a vacation to Paris once his health improves.

The doctors described Arthur Bell's health as good, but said that he still needs more rest before he will be able to walk without assistance. Meanwhile, Dale Bell said he was planning a reunion with their five sisters. "If there was ever any doubt in my mind that his family loved him, it will only take a day or so to change that," he said.

By Bernard Weinraub  
New York Times Service

LOS ANGELES — Watch out, Broadway! Not only are Michael Ovitz and Michael Eisner set to compete on Times Square, but a third Hollywood mogul, Jeffrey Katzenberg, may also turn his focus to Broadway. These are three of Hollywood's most high-profile and competitive men — and they really don't like each other.

Broadway is accustomed to huge egos, but Ovitz, Eisner and Katzenberg are in a league unto themselves.

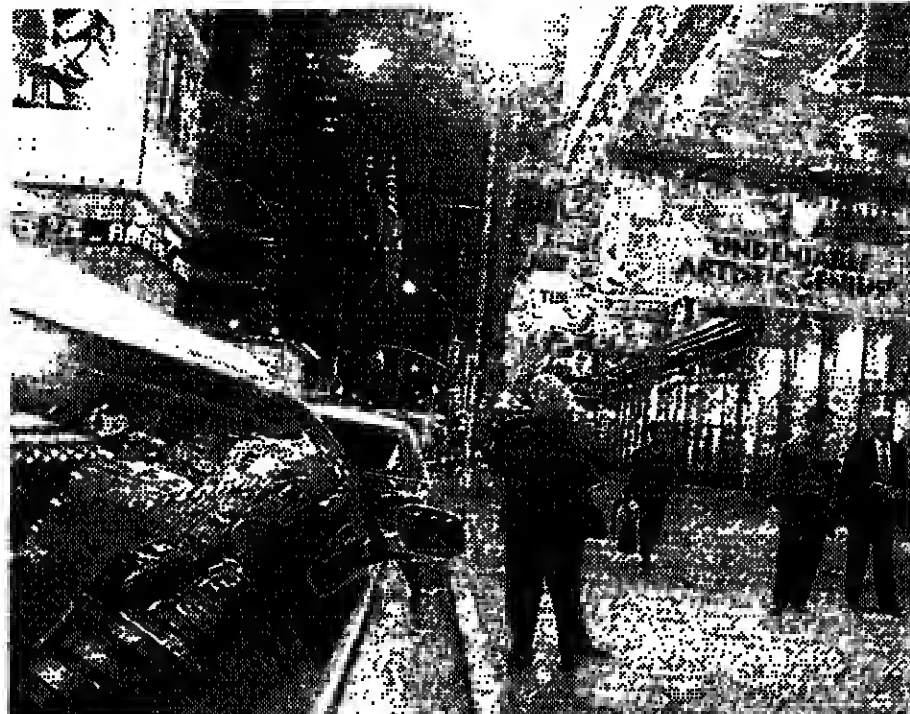
"It definitely has David Mamet overtones," said a top executive at DreamWorks, which is owned by Katzenberg. Steven Spielberg and David Geffen, a prominent Broadway investor.

What prompted the attention of Hollywood was the surprise announcement that Ovitz was returning to the entertainment business by investing \$20 million in Livent Entertainment. The Toronto-based company, controlled by Garth Drabinsky, was behind productions like "Ragtime," "Show Boat" and "Kiss of the Spider Woman." Ovitz's move sets up a classic jousting match on Broadway, where Walt Disney Co. and its chairman, Eisner, are already major forces. But beyond this, much is at stake for the theater.

In the last three years, Disney and Livent have challenged Broadway's business practices, with infusions of money and marketing that had never been seen before. With productions spawning profitable road-show operations, what had essentially been a seat-of-the-pants business has reached new levels of sophistication and billion-dollar revenues.

Several other Hollywood studios are investigating whether they might replicate Disney's successes, but with Ovitz on the scene and Katzenberg waiting in the wings, the competition could take on a personal edge. Ovitz, once called the most powerful man in Hollywood, has been relatively silent in the 14 months since he left the presidency of Disney after a tumultuous year of friction with Eisner, once his close friend. The departure, "by mutual agreement," was a rare failure in Ovitz's high-flying career, which included his virtual domination of the movie business as a founder and chairman of the Creative Artists Agency.

Ovitz has told friends in recent months that he was fascinated with New York — or at least with its financial, art and media worlds — and was planning to spend more



Will Times Square become a battleground for three Hollywood titans? Two companies have challenged Broadway's practices and a struggle is in the offing.

time there. He is on the board of the Museum of Modern Art and has said that he was energized by attending lunches and dinners there at which the movie business was not even mentioned.

In taking control of Livent from Drabinsky, Ovitz has in effect staked a large claim in the cultural world of New York, one that makes him a power broker in a city he covets and views as a larger arena than Los Angeles.

Since leaving Disney, Ovitz, 50, has spent time traveling abroad with his wife and three children and, on the business side, has been associated with efforts to lure a National Football League franchise to Los Angeles, among other things. By all accounts, he has refused to return Eisner's phone calls, testifying to his lingering anger.

Eisner has made clear that Disney and Broadway seemed a perfect fit. Partly at the urging of Katzenberg, the former president of Walt Disney Studios, Eisner brought the stage version of "Beauty and the Beast," the animated musical, to Broadway four years ago. The production has been a huge success.

Box-office revenue from various stage productions has been estimated by financial analysts at \$500 million.

Similarly, Disney has scored a formidable hit in the acclaimed Broadway version of the animated musical "The Lion King," which has been sold out almost every night since its opening in November at the New Amsterdam Theatre, which Disney refurbished and owns, directly across the street from "Ragtime," appearing at Livent's Ford Center for the Performing Arts.

Disney is also weighing a Broadway musical called "Elaborate Lives: The Legend of Aida" with music by Elton John, lyrics by Tim Rice. It is scheduled to open in Atlanta in October, with a possible spring 1999 opening in New York. A stage version of the Disney film "The Hunchback of Notre Dame" is planned for Berlin next fall; if it proves successful, a Broadway production would follow.

At the third end of the powerful triangle is Katzenberg, the former Disney studio chief, who supervised the revival of animated mu-

sicals at the company. Like Ovitz, Katzenberg was forced to leave Disney, in 1994. Katzenberg left when he was denied the company's No. 2 position after the death of Frank Wells in a helicopter crash.

Unlike Ovitz, Katzenberg did not leave the company with a fortune, and he sued Disney for \$250 million. He contended that Disney had failed to give him his rightful share of the profits from his films that he helped create and from their Broadway musical spin-offs. For Katzenberg, too, some roads lead to Broadway.

Shortly before a trial was set to begin, Disney and Katzenberg reached a settlement. The financial arrangement was not announced. People close to Katzenberg said he could end up with \$100 million, but a veteran Hollywood lawyer said that figure was probably too high.

After a slow and disappointing start, DreamWorks is now gearing up for the release on Dec. 18 of its first animated musical, "Prince of Egypt," the retelling of the story of Moses with the voices of, among others, Val Kilmer (Moses) and Sandra Bullock (Miriam). The lyrics and music by Stephen Schwartz and Hans Zimmer are described by DreamWorks executives as Broadway-style and perfectly suited for the stage.

The actual content may lend itself to a theatrical venue, an executive said, although any discussion of Broadway will wait until it is known how the film fares at the box office.

Terry Press, the top marketing and publicity executive at DreamWorks, said: "DreamWorks doesn't own any Broadway theaters, but the two Mikees do. Should we be fortunate enough to have 'Prince of Egypt' head for Broadway, hopefully, the production rights to the musical will be auctioned, and may the best Mike win."

Two DreamWorks partners, Katzenberg and Geffen, have difficult relations with Eisner, and with Ovitz. (The bad blood with Ovitz dates from his years as Hollywood's top agent, when Geffen and Katzenberg had several fractious run-ins with him.)

So Ovitz does not speak to his former best friend Eisner. Geffen has icy relations with Eisner and Ovitz. Katzenberg is decidedly unfriendly to Ovitz and his feelings about Eisner are chilly, too.

None of them likes the others (with the exception of Katzenberg and Geffen), and they'll probably move their competition to Hollywood, which had better get accustomed to Hollywood's peculiar style of partnership.

## PEOPLE

A MOVIE producer has sued Leonardo DiCaprio, claiming the "Titanic" heartthrob is trying to block distribution of a low-budget movie he made in 1995. David Stutman says in his lawsuit in Superior Court in Los Angeles that DiCaprio and his fellow actor Tobey Maguire called a number of distributors of independent films to urge them not to distribute "Don's Plum." DiCaprio and Maguire starred in the low-budget movie, which is still looking for a distributor. The breach of contract complaint said DiCaprio initially liked the finished film. "During the screening, he jumped out of his seat several times, laughing, clapping and high-fiving his friends," the suit says. But Maguire, who was featured in "The Ice Storm," thought his own performance "would undermine the public image he and his manager were trying to protect" and then used his friendship with DiCaprio to block the film's release. A spokesman for the actors said all parties agreed never to distribute the film. "As a favor to a friend and first-time director, Leonardo DiCaprio and Tobey Maguire agreed to participate in an experimental black-and-white short film with an improvised script," a statement said.

The novelist Joseph Heller has donated a few pages from his files to the University of South Carolina. So how many pages is that? "They say it's 150,000 pages," he said, "but I can't imagine I've produced that much garbage in my life." But why did a writer who was born and raised in Brooklyn give manuscripts, page proofs and correspondence to a university in South Carolina? "That was thanks to the U.S. Air Force," he said. He was stationed there for several months in World War II. Heller thanked a woman named Kitty. She was, he said,

"probably the first girl I ever fell in love with, and if I had stuck around, I probably wouldn't be here today."

Jack Lemmon appears to have been partially responsible for the defeat of the mayor of Malibu, California, warning that development could ruin the exclusive ocean-side haven of movie stars by making it just like Laguna Beach. A videotape mailed to voters before the election showed downtown Laguna Beach while Lemmon asked if they want "another crowded beach city filled with hotels, tourists and traffic." The video cited Mayor Jeff Jennings' support of a plan to build 1.1

## A Surprise for Vermont Museum

The Associated Press

BENNINGTON, Vermont — Two wooden crates arrived unexpectedly at the Bennington Museum recently and were found to contain seven Grandma Moses paintings that were stolen 14 years ago. Where the artworks have been all this time and who sent them back, and why, remain a mystery. The brightly colored New England landscapes were stolen in 1984 from the home of Margaret Carr in Rose Valley, Pennsylvania, shortly after her death. She had bequeathed the paintings to the Bennington Museum. The works — whose combined value was estimated by the Bennington at \$250,000 to \$500,000 — were not seen again until they arrived at the museum in February in good shape.

million square feet of malls and hotels "foning the air and destroying the tranquility that is Malibu." In Laguna Beach, people were not amused. "I think Malibu would be very fortunate and lucky if they could become another Laguna Beach," Mayor Steve Dietterow said.

The Daily Planet, the newspaper where the mild-mannered Clark Kent toils with the plucky reporter Lois Lane; their editor, Perry White, and the photographer Jimmy Olsen, will be publishing out of Pittsburgh this summer. City officials say that when Tim Burton directs "Superman Lives," starring Nicolas Cage as the Man of Steel, the City-County Building would be transformed into the newspaper's offices. A false floor will be built in the three-story lobby, and a Daily Planet sign will hang outside. Business is otherwise expected to go on as usual.

It's another girl for Dan Aykroyd and Donna Dixon. The couple's third daughter — Stella Irene Augustus Aykroyd — was born April 5 in New York. The Aykroyds, who married in 1983, have two other girls, Danielle, 8, and Belle, 4. The former "Saturday Night Live" comic and ex-Blues Brother now stars in the ABC series "Soul Man." Dixon appeared in the TV series "Bosom Buddies."

The Russian artist Alexander Kornukhov has been chosen to decorate a new chapel inside the Vatican that was secretly authorized by Pope John Paul II in celebration of the coming millennium. A spokesman said work on the project was begun two years ago.



DRY LAND — The talk-show host Oprah Winfrey and her friend Stefman Graham leaving a shipboard party for the poet Maya Angelou.



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